# TITLE

## THE CHALLENGES OF GLOBALISATION FOR MANAGEMENT IN THE 21ST CENTURY

A Case Study Of
NEW NIGERIAN DEVELOPMENT COMPANY LIMITED
(NNDC)

BY

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*BEING A RESEARCH DISSERTATION IN*

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DEPARTMENT OF BUSINESS ADMINISTRATION

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ZARIA

SEPTEMBER, 1999

# DECLARATION

I hereby declare that this dissertation has been written by me, and that it is the record of my own research work. It has not been presented in any previous application for a Higher Degree. All quotations, indentations and sources of information as specifically acknowledged by means of references.

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# APPROVAL

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# DEDICATION

This research dissertation is dedicated to my wife (**Halima**) and my children (**Maryam, Farida, and Al-amin**) for giving me the moral support and encouragement during the course of my studies in Ahmadu Bello University.

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Acknowledgements are due to my family. in particular to my wife. for her continuing encouragement. I would also like to acknowledge the contribution of my Supervisor for her guide in developing me on the subject of globalisation.

Thanks are also due to my assistants who helped in the production of this dissertation regarding typing. editing and proof reading. and many Institutions and Libraries for the reference material used.

So many people and institutions have contributed to the creation of this dissertation. listing some would be unfair and listing all unwieldy. My thanks. therefore. are made here to every one of them.

Every attempt has also been made where deemed necessary to seek the permission of individuals and institutions whose published work in the area o f globalisation has been drawn on. particularly the Nigerian Institute of Management.

My sincere gratitude goes to the Management and Staff of New Nigerian Development Company Limited for given me the assistance required during the course of this research work.

# PREFACE

As the world shrinks into a global village, it is imperative that Management and Managers around the world and their entities be proactive and take advantage of the changes taking place known as '***globalisation***'. The challenges all over the world today calls for Panacea for the survival of governments and firms.

This dissertation is an overview on the subject of challenges of globalisation and aims at providing readers with an overall understanding of the subject starting with the brief background of globalisation, the pattern and types of challenges that faces Management and Managers. It highlights why companies and countries need to be looking at globalisation as an imperative within the parameters of competitiveness and comparativeness of operation. This dissertation examines the underlying theories of Management and their adaptability, approaches of globalisation, aspects of an all-important area of global Management and cultural adaptation. New innovations of Management Practices are considered as well as solutions to the problems the Management and Managers will face in the on-going process of globalisation as challenges for them. It also highlights the way forward for management of the 21st century in meeting with the trend of globalisation.

The case study of New Nigerian Development Limited (NNDC) is used for the purpose of comparing a large business conglomerate survival with comparative study of globalisation, as an attempt to determine the extent to which management of firms and government have been existing as a going concern, and to what extent can they survive the 21st century going by the pace of globalisation.

**IBRAHIM YUSUF**
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# CHAPTER 1

## 1.1 INTRODUCTION

Competition is now worldwide and things have generally changed. For example 10 years ago, our competitor was our next door neighbour , but now he may be in Ghana, Uganda, South Africa, Japan or Malaysia. One other thing is certain, the 21st century will present a totally new picture as the world embarks on a new economic order of globalisation for competitive advantage.

On the other hand, world wide recession has affected company structures and practices while global management has brought companies face to face with complex cross-cultural issues and competition.

To survive these unprecedented turmoil, most organisations embarked on a number of measures: Revitalization, Renewal, Repositioning, Reengineering, Restructuring etc supported by new management Techniques. Whether called Total Quality Management, Down Sizing, Bench Marking, Reengineering, Paradigm Shift or Learning Organization etc the aim is to solve today's and tomorrow's problems, which may occur in the next millennium, by improving business processes. What we need is a carefully crafted "mixed grill" because business enterprise is permanently being moved around by the dynamics of the economy, consumer tastes, new technologies and scientific discoveries.

Moreover, in our ever renewing society, what matters is a system or framework within which continuous innovation, renewal and rebirth can occur. Therefore, without order, planning, predictability, accountability, obedience and discipline.

nothing fruitful can happen because everything disintegrates.

This study is to review the expected challenges of globalisation for management of enterprises in developing countries such as Nigeria and others. Emphasis will be made on management survival despite the challenge its enterprise will be facing in the future. These challenges will be mentioned in the subsequent paragraphs of this study. These are expectations of the 21st century for management.

Let us take a critical look at globalisation in the diaspora. Significant changes are taking place in the world and these changes are bound to have some important consequences for the management of organization, large or small. This process of change has created a condition which industrial and economic analysts refer to as globalisation or globality. The main feature of this change is the increasing breakdown of trading barriers and the increasing integration of the world market.

Industria firms, particularly in the advanced industrial countries are faced with both the opportunity and challenges of operating in a truly global market. In response business schools and other similar schools for the training of managers are having to revise and review their strategies on the management of industrial enterprises and how to do business in this new integrated world market. New demands are being placed on management by the changes in the world economy.

According to Olusanya (1998) - "Globalisation is a world-wide movement from local to universal socio-economic system aimed at the unification of the world market. As a result of this unification, the whole world is reduced to a global "village market" which offers humanity the opportunity to utilise the resultant technological

advancement and socio-economic resources for their economic good. Therefore. Globalisation becomes a process of continuous inter change of skills, resources and products within the universal market economy. As a result of this development, the world has been made accessible, to all business organizations and interested persons who are technologically capable of making use of the vast potentials offered by globalization.

As we go further to stress the Imperatives of Globalization,we will mention factors that will make Globalisation to succeed, some of these are:

(a) Commitment and concerted action on the part of decision makers;

(b) Dynamic leadership that creates a challenging environment;

(c) Innovativeness;

(d) International cooperation;

(e) Efficient infrastructural facilities;

Thus from the above analysis of Globalisation one may not be far from saying Managers are part of Management who would be confronted with the challenges of globalisation. They are to make sure their decisions and innovations lead their organization into successful globalisation. Thus, how many organisations or enterprises in the less developed economy are ready to imbibe the concept of globalisation?

Most pre-independent Nigeria companies are dominated by foreign companies such as UAC, Unilever, John Holt (British); CFAO & SCOA (French); UTC (Swiss) and leventis (Greek) etc., most of which were outposts of their European parent

companies. The New Nigeria company Ltd. (NNDC) began 1949 as the Northern Regional Production Development Board (NRPDB); all these companies transformed into the post-independence companies. Long after independence, many companies facing the challenges of Globalisation considered the option of the mergers and acquisition. For example, according to OSAZE (1991), LBN merged with LIPTON (1984); John Holt acquired Bauchi Bottling Company (1985), while Intra motors acquired West Coast Fisheries (1985); Standard Breweries also acquired United Breweries (1988).

As today's economic conditions calls for a pragmatic approach to management, the single challenge facing Managers in developing countries is to raise the productivity of knowledge. This challenge, which will dominate the management agenda for the next several decades, will ultimately determine the competitives performance of the companies, the very fabric of society and the quality of life of every country.

To this end, managers of less developed countries enterprises in the 21st century must create a business focus that is based on competitive advantage.

Looking towards 21st century, it appears to me as a manager, that the market place is being driven by consumers towards the need for cooperation. Vertical hierarchies are being replaced with horizontal strategic alliances with customers, suppliers and even competitors.

The leaders of the 21st century must have a clear vision, communicate effectively, build trust and develop self knowledge. They need to be responsive to situations as well as being creative and, therefore must acquire skills for the future and also build

alliances that are strategic to their core business.

Since management cum managers must have a vision in the 21st century, what then are the challenges they would face when globalisation sets in the next decade? The answer to this question led us to think about the statement of problems in this study which are global challenges for management.

## 1.2 AIM AND OBJECTIVE OF THIS STUDY

The aim of this study is to postulate that management philosophies are founded on universal principles which make it possible for a manager to manage across cultures, but it must be emphasized that cultural differences do not have deleterious effects on effective management.

Since management and managers will be facing challenges of Globalization for effective corporate management, the objective of this study is to highlight the managerial skills needed to meet those challenges in the 21st century.

## 1.3 GLOBALISATION AS CHALLENGES FOR MANAGEMENT

Management imperatives of Globalization can be seen from the following perspectives.

Thus:

### (a) Attainment of corporate visions

Vision can be seen from the mission of an organization. But a vision can be seen to be a difficult thing to describe and no wonder most executives find it difficult to formulate a clear vision for their organization.

Many enterprises, therefore, are up to creating a mission statement which though a

step in the right direction, fails to provide a truly compelling vision. A vision is simply a shared mental framework that gives form to the future of an organisation. It must be challenging and create a sense of purpose for a more tangible perception of a promise for a brighter future.

A coherent vision must, therefore encompass fundamental values touching on employees, customers, ethics, profits, product and the society as a whole. These values should form the basis of a company's overal sense of purpose and its perception of its role in the world as well as what image it wishes to project. Let us take a look at the NNDC's mission which may be synonymous to its vision.

"Our mission is to be a diversified, holding company which derives its financial strength from steadily increasing profitability and funding resources based on our distinctive competence in managing equity investment and operating related businesses within industries having superior economic and growth potential.

Our leadership image is built on high professional management, progressive human relations and ethical values, rooted in a deep commitment to Nigeria's economic growth"

Other vision taking from Bill Gates and Tied Turners statements are:-

"Bill Gates vision is that software not hardware is the future of the computer business and Ted Turner's vision of CNN is a global News Network"

(a) All we are saying here is that can NNDC accomplish its mission in the now and in the next decade? We shall see this attainment when we analysis data on NNDC and relate it to global economy.

(b) How can a business conglomerate sort for its investment opportunities through corporate planning and strategic management.

(c) The above problem will also lead to how management will handle vast new market that has broken through natural boundaries with many competitions and integrate well into these markets.

(d) The integration in the competitive market will require efficient and effective economies of scale to be adopted by the management and controlled by the managers.

(e) Management cannot operate in isolation without human capacity building. Then how will management go about human resources development and motivation of markets?

(f) How will management encourage innovation and creativity in achieving its corporate vision and existence?

(g) How will adoption of long term view, efficient allocation of resources and restoration of equilibrium between demand and supply be done.

(h) Management is also faced with problem of bureaucratic tendencies and almagamating of cultural, social and religious differences in its organisation.

(i) Changes in corporate governance with the effect of democratic rule globally especially when a country is changing from military rule to democratic rule. Each type of rule has its own tenets often that will ultimately affect the management of these corporations or companies. It is expected that the state of Nigerian industries will be affected by the change of government.

(j) Promoting business ethics and integrity among less developed country (LDC) managers when same are compared with their colleagues in other part of the world especially when companies are willing to go international in its operations.

(k) Can the problems of local sourcing of manufacturing components for optimal production be tackled in the bid to increase production and export marketing?

(l) Can management satisfy the owners or stakeholders wealth in the next decade?

(m) Is Management likely to free to the problem of risk management involving currency management interest rate, commodity price risk and business risk.

## 1.4 THE RESEARCH QUESTION

A careful analyses of the above statement of problems brings to mind a question to be answered at the end of this study.

Are challenges of Globalization for management imperative or panacea to the survival of its entity in the next 21st century?

OR

"Alternatively, to what extent can these globalisation challenges for management ginger the organisation to achieve its vision - mission, aims and objective and increase the managerial skills"

OR

"Will management of a business conglomerate like NNDC survive the next millennium inspite of the pending challenges it will face?"

At the end if this study we shall be able to find a way forward for management survival in the 21st century and advancement of managerial skills to meet any future challenges

## 1.5 THE BASIS OF GLOBALISATION

Globalisation as a study is based on the following parameters:-

(i) That globalisation involves the breaking down of national boundaries and entering the international business arena for global competitions.

(ii) That one of the requirements of globalisation is the upholding and practice of international business ethics and integrity but that corruption is pervasive in the world. This has been attributed to general poverty of ideas among the populace.

(iii) That globalisation requires the availability and effectiveness of infrastructural facilities like electricity, water supply, communication and transportation which are inadequate. This is because the economy may not be liberalised and private sector driven.

(iv) That although resources are scarce, cooperation among individuals and organisation is lacking. In its place, there is unhealthy rivalry.

(v) That some countries are unable to bring new products into the global market because they could not maximally explore areas of competitive advantage.

(vi) That the greatest problems facing managers is how to reconcile individual goals with corporate objectives.

(vii) That constraints to local sourcing of manufacturing components in less

developed countries (LDC) such as Nigeria of which NNDC belongs to are:-

(a) High interest rates

(b) Rising inflation

(c) Naira depreciation

(d) Foreign exchange shortages

(e) Customers' strong resistance to local products because of wrong values.

(f) Inadequate capital to add value to primary products

(g) Unstable policies

(ix) That there are other bureaucratic processes and corruption militating against interests in export.

(x) That there is over-concentration of the production and management processes such that specialisation has been ignored.

(x) That it has been established that lack of ethical standards exist among managers which constitutes barriers to acceptability of the country in the global market e.g Advance fee fraud (419), nepotism, bribery and corruption.

(xi) That the search for improvement of the human capital has gone beyond technical efficiency to include behavioural properties such as personal and individual goals.

## 1.6 DELIMITATIONS AND LIMITATION OF STUDY

(i) This study encompasses the role of management and managers in facing the challenges of globalisation in the 21st century with emphasis on the next decade.

(ii) To critical examine the problems facing the management today and in the future, New Nigerian Development Company Limited has been chosen as case study because of its vast operational activities.

(iii) The knowledge of the writer in management consultancy services has given him the aptitude to research into this area as mode of developing managerial skill for himself and line managers in business.

(iv) Considering the Nigerian environment, experience has shown that NNDC was able to weather the causes tormenting the investment business outfit.

(v) This study is restricted to NNDC in Nigeria because of the non-availability of information on other similar organisations in and outside Nigeria.

(vi) Discussion and interviews of the component of management of the company was limited because of confidentiality in our prevailing environment.

(vii) Generally in Nigeria, corporate governance is difficult to examine because of limited scope of obtaining information for empirical analysis.

(viii) Most of the information in this study is based on intuition, practical experiences and empirical research.

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## 1.7 THE SIGNIFICANCE OF THIS STUDY

This research study is to enable management generally to:-

(i) Determine the challenges it will face globally in the 21st century and the skills necessary for these challenges.

(ii) Determine the veracity of these challenges for management of business conglomerate like NNDC.

(iii) Determine the extent to which these challenges can affect the going concern of a business conglomerate like NNDC.

(iv) Consider the solution of these challenges for management and managers in the 21st century.

(v) Ascertain and determine the way forward for NNDC and similar organizations in the 21st century.

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# CHAPTER 2

## THE REVIEW OF RELATED LITERATURE

### 2.1 The antecedents of Management Development

#### 2.1.1 A global perspective

Afolabi Olugbemiga Adedaji, (1998) a Lagos-based management analyst discussed global management and the Nigerian manager saying managers need to focus more on quality and to be sensitive to the feelings, tastes and preferences of their trade partners, clients and customers who will be diverse in global nature of business.

He further stressed that "the challenge of bridging the gap between the rich nations of the North and poor countries of the South falls to a great extent on the shoulders of the manager. By the year 2005 we should be talking not only about the Asian Tigers but the African lions as well as who should be at par with the industrialised countries of the world.

Managers in the South should encourage the copying, adaption and ever improvisation of traditional, previously relegated technology for the attainment of this feat. Hong-Kong Korea and Taiwan started in this fashion and have become forces to be reckoned with in the economy today.

The manager will have the additional responsibilities of treating more specialised labor to cope with new challenges.

This can best be achieved through massive investment in science and technology which will make it possible to maintain a leading edge. In Nigeria,

the private sector would need to be encouraged to invest in the educational system which is currently in a state asynchromy and financial/political deprivation. There will also be a greater shift to high standards of service and customer industries in the next decade and this trend has already started. As a result, industries which fail to measure up will wind up themselves out business".

We can summed up that the evolution of management as a study stemmed from complexity and diversified business environments. These business environments which are political, economic, social and technological have made the management of our enterprises to be facing challenges of survival within the globe since the whole world has turned into a "global village".

Fig. 1 at a glance depicts how both external and internal environments influences our business.

It is imperative to quote views and thoughts of some outstanding early writers and commentators on this subject.

Hear them:-

1. "Management is a process of functions with planning being the most important" - Henry Fayol.

2. "The primary objective of any corporation is service. If service is given profit will follow" - Ralph Daves.

3 'The way a person manages others depends on his assumptions about the basic nature of man" - Douglas McGregor.

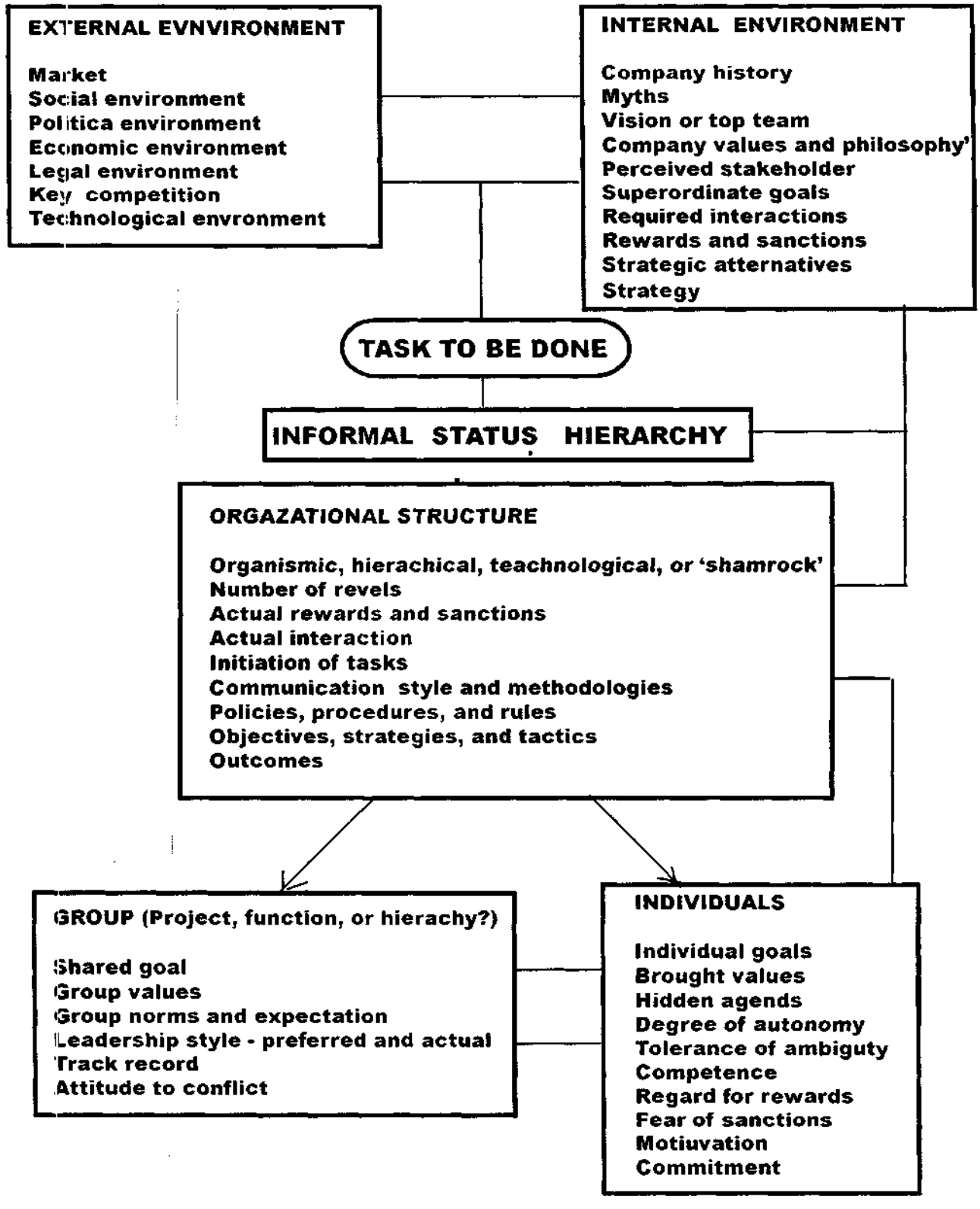



**Figure 1 - The business and its environment**

**SOURCE:** **Key Management Solution, Pitman. Publishing London (1996) P. 246.**

4. "Much in a manager's world is beyond his control and planning. The manager must learn to make marginal decision and accept uncertainty as part of his job" - Leo Sayles.

5. "Managers should see to it that objectives are set in those areas that affect the survival and prosperity of the organisation and in measuring results' - Peter Drucker.

6. "The essence of management is coordination" - Mary Parker Follet.

7. "There is a `one best way' of performing any activity" - Frank Gilbreth.

8. "A manager must determine the proper balance between things of production and the humanity of production" - Oliver Sheldon.

9. "The organisation man must fight the organisation. He must not surrender his individuality" - Wille whyte.

10. "The scientific method can be applied to work problems" - Fred W. Taylor

11. "The executive is the critical person to establish a climate where cooperation can exist among subordinates and work group" - Chester I. Bernard.

12. "High producing managers are viewed by their subordinate as being supportive in their supervisory relationships" - Rensis Likert.

13. "Since most people are mediocre, the true leader can be recognised because, somehow or other, his people consistently turn in superior performances" - Robert Townsend.

14. "In a hierarchy every employee tends to use to his level of incompetence" - Lawrence J. Peters.

From the above, it is evident that the topic management is a complex one and can be looked at from the perspective of the organisation, its objective and its people.

Also from the analysis above, we can ascertain that management development can be dated back to the creation of the world by God.

Emphasis on theorical work on management became prominent with effect from 18th

century when the same schools of thought came into being. These schools are:-

(i) The Classical School - Pioneered by F.W. Taylor, Henri Fayol etc.

(ii) The Human Relation School-Pioneered by Elton Mayo, John Adair, A. Maslow, Fred Herzberg etc.

(iii) The Contingency School-Pioneered by Tom, Burns, G. M. Stalker, Lawrence and Lorsch etc

(iv) The Systems Approach school-consist of work of Kantz and Kahn.

The above named schools have contributed immensely to the development of management all over the globe.

Their theories are being put into practice, majority of them have worked while others have failed because of challenges facing management of enterprises with effect from the 20th century.

2.1.2 **Recent Global development in management** could be seen as follows:-

1. **Comparative Management** - Pioneers of this type of management are Professors Richard N. Farmer and Barry M. Richman. They emphasized that environment external to the firm do affect management practices. This comparative management is defined as the study and analysis of management in different environments and the reasons that enterprises show different results in various countries. Management is an important element in economic growth and in the improvement of productivity. It is interested to note that, in the past, European Managers did not look toward Japan for managerial leadership; rather, they adopted traditional American practices such as

strategic planning, decentralisation of decision making, and incentive system. More recently however, German and America car companies have been using the Japanese managerial model in setting up their plants in former East Germany. What is needed for economic progress and improved productivity is a way of coordinating human resources for achievement of the mission of the enterprise. These demands sound management theory and practice, irrespective of their origin.

Moreover, Harold Koontz modified the traditional model of comparative management as shown in the Figure 2 - Modified Koontz Model For Analysing Comparative Management.

It is imperative for management of enterprise in Nigeria like NNDC to adopt this modified model of comparative management. In short, there is the need for management to look beyond its national boundaries to develop its managerial skill.

2. **Strategies for integrated managerial performance**

New trends of management strategies and techniques have gained prominence of recent. These are:-

(i) Business process Re-engineering

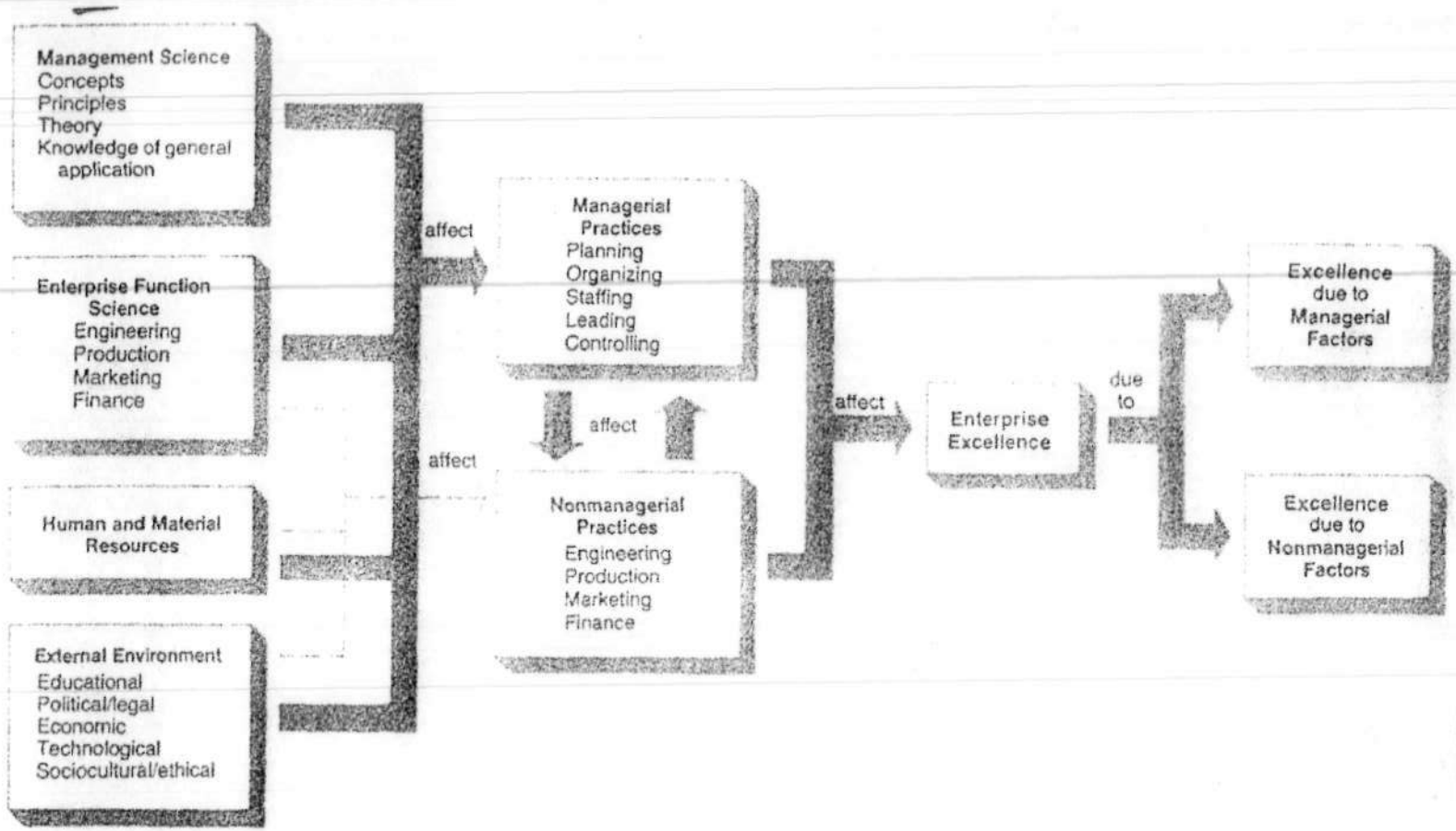
(ii) Total Quality Management

(iii) 1S0 9000 Quality Management System

(iv) SWOT Analysis

(v) Visioning

**Figure 2**




MODIFIED KOONTZ MODEL FOR ANALYSING COMPARATIVE MANAGEMENT.
Adapted from Harold Koontz "A Model for Analysing the University and Transferability of Management," *Academy of Management Journal*

Source: Weihruh and Koontz – "Management – A Global Perspective" International Edition, (1994) p.102.

(vi) BenchMarking

(vii) Empowerment.

Iornem (1999) states summarily the nature of the above strategies. Thus:-

(i) **Business Process Re-engineering**

This is a business strategy which is designed to fundamentally change the way work is performed in order to achieve radical quantum leap performance improvements in quality, speed and cost. (Asher 1996:41). The emphases of re-engineering is on fundamental, radical, and revolutionary change leading to extra ordinary dramatic improvement.

Hammer and Champy (1996) and Mike Asher (1996) have examined in detail the way which re-engineering can be successfully carried out. These are:-

(1) Establish the mission and vision i.e.. what do you stand for? Where do you want to go?

(2) Establish the critical success factors.

(3) Establish the key business process in your operation.

(4) Carry out Business process analysis.

(5) Decide which process to re-engineer.

(6) Evaluate Current performance.

(7) Analyse why you are where you are.

(8) Re-engineer the processes.

(9) Compare the re-engineered with former processes.

(10) Plan to implement drastic change.

(11) Evaluate performance.

(ii) **Total Quallity Management**

Samuel K. HO (1995:4) defined TQM as follows:-

| | | |
|---|---|---|
| Total | - | Everyone associated with the company is involved in continuous improvement (including its customers and suppliers if feasible). |
| Quality | - | Customers Expressed and implied requirements are met fully. |
| Management | - | Executives are fully committed |

**Steps of implementing TQM**

1. Establishing the need for change
2. Gaining and sustaining commitment
3. Implementation using TQMEX model
4. Review.

(iii) **ISO 9000**

This is a quality management system that guarantees consistency of approach through the use of written, procedures, systems audit and review. It is a quality certification scheme but it does not apply to individual products.

The relation between TQM and ISO 9000 is that the latter is a system, a set of rules for quality competence while the former is a philosophy, a way of approaching quality management throughout the organisation. ISO 9000 system provides the set of rules which if followed, will ensure consistent quality.

An ISO 9000 certified organisation is a proclamation of the potential capacity or assurance to deliver quality always.

Stages to implement ISO 9000 are:-

(1) Identify the things you do in your job then describe existing operations. Elaborate or change the process as necessary.

(2) Write down and flow-chart the process described in I above, taking care to include all elements that may have impact on the quality of the outcome.

(3) Carry out the process as you have described in the written procedures as required in 2 above.

(4) Prove that you are doing it by providing evidence that procedures are being followed.

(5) Give ISO 9000 certification agency to assess and certify the system.

(6) Improve it. Keep evaluating your procedures and improving as necessary.

(iv) **SWOT ANALYSIS**

This acronym stands for strength and weakness (internal factors), opportunities and threat (external factors) affecting the organization. There is the need to carry out SWOT analysis as part of the strategic process of achieving corporate mission, goals and objectives.

(v) **VISION**

This has been described in Chapter 1 of this study.

A management desirous of creating an effective vision should seek answers to the following questions identified by Chinook (1991:25) and Hussey (1995:69 - 70).

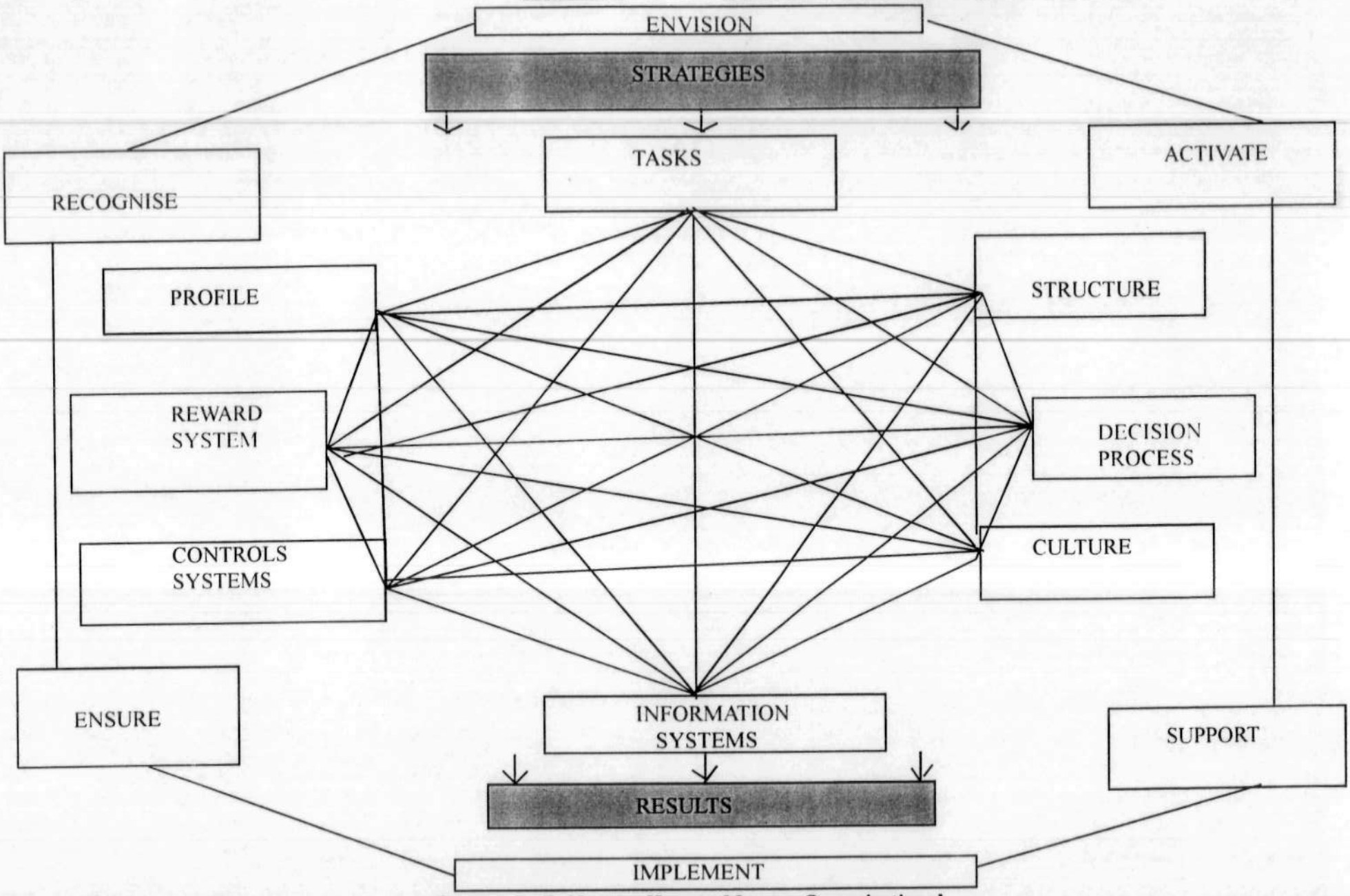
1. Where are we now?
2. What are the problems?
3. Where do we need to be?
4. How can we change?
5. What will it look like?
6. What are the suitable techniques?
7. When should we reassure results?
8. How can we do it?
9. Is the vision credible?
10. Is it challenging?
11. Does it have internal integrity?
12. Is it clear?
13. How does the vision relate to the past, present and the future?
14. Do you believe in the vision?

Fig. 3 Illustrate the EASIER approach to visioning, involving Envisioning, Activating, Supporting, Implementing, Ensuring and Recognising.

(iv) **BENCHMARKING**

Benchmarking is seen by Kermally as "a method of improving business performance by learning from other companies how to do things better in order to be best in class".

**FIGURE 3 THE EASIER APPROACH TO VISIONING**




**Source: D. E. Hussey, How to Manage Organisational Change, London: Kogan page, 1995:64.**

This is the process by which internal processes, services or activities of an organisation, are systematically evaluated, and then compared with the performance of others.

Benchmarking has yielded positive fruits for Japanese companies. Benchmarking can be internal, competitive, functional, comparative and generic.

Successful implementation of bench marking as enunciated by Camp (1994) are as follows:-

1. Decide what to benchmark.
2. Identify the benchmark parties i.e. whom to benchmark.
3. Plan and conduct investigation.
4. Determine the current performance gap.
5. Project future performance levels.
6. Communicating benchmarking findings and gain acceptance
7. Reverse performance goals.
8. Develop action plans
9. Implement specific actions and monitor progress
10. Recalibre the bench marks.

(vii) **EMPOWERMENT**

Empowerment means giving encouragement to people to become more involved in the decisions and activities that effects their jobs. According to Jane Smith (1996:9) empowerment is a vital element of the modern business environment.

It leads to getting closer to the customer, improving service delivery, continuous innovation, increase efficiency and competitive edge. She also identified a range of empowerment scheme. According to her empowerment ranges from:-

(1) Simply encouraging people to play a more active role in their work.

(2) Involving them in taking responsibility for improving the way that things are done.

(3) Enabling them to make more and bigger decisions without having to refer to someone more senior.

Critical success factors of Empowerment by Kermally is acronym as SMART.

S for Support - It has to receive full support from top management.

M for Motivation - Staff must be motivated to "take" power.

A for Authority - Authority has to be aligned to strategic direction.

R for Responsibility - Responsibility is the core component of empowerment.

T for Trust - Trust is individuals and Teamwork is essential.

From my experience as a student of Management Science, management is facing the challenges of implementing these strategies for their survival because of selfish tendencies.

### 2.1.3 Management Imperative of Globalisation

The Nigerian Institute of Management created a forum for all operators of the Nigerian economy to discuss "Management imperatives of Globalisation" at its

36th Annual National Management Conference held at Abia State on the 23rd and 24th September, 1998. After the two days conference a communique was released with recommendations on the preparing of Nigerian Managers and Management for Globalisation. These are listed below:-

(i) The awareness for globalisation should be created among all sectors of the Nigerian economy.

(ii) In order for Nigeria to fit into the global marketplace, there is need for government, professional associations and the organised private sector to put in place policies that promote high ethical standards, honesty, integrity, probity, accountability and transparency.

(iii) Since democratisation is a pre-requisite to partnership in globalisation, it is imperative for Government to put in place enduring institutional framework for democracy.

(iv) There must be a liberation of the Nigerian economy to promote efficiency and effectiveness of public utilities and infrastructural facilities (e.g. telecommunications) required for global competitiveness.

(v) There is need for cooperation between the public and private sections and between individual organisations such that human and financial resources can be harnessed for viability and global competitiveness.

(vi) Management should be less authoritarian so as to involve workers in the decision-making process. This will enable employees utilize their various potentials including creativity and innovativeness.

Effective organisational communication should be put in place.

(vii) Creativity and innovativeness should be appropriately recognised and rewarded.

(viii) Employers should encourage the acquisition of management education as well as intensifying efforts at training and developing their managers on a continuous basis.

(ix) Government should remove all the identified barriers inhibiting local sourcing of raw materials and exportation of products while exporters should comply with international quality standards.

(x) Government and individuals organisations should continue to encourage specialised small scale enterprises which have capacity for growth and added value.

(xi) It is commended that NIM Code of Conduct has promoted ethical standards among Nigerian managers and that NIM is already co-operating with Transparency in Nigeria (TIN) and Integrity to sponsor enlightenment campaigns on transparency and accountability.

(xii) Greater education and awareness should be created on the benefits derivable from export marketing.

(xiii) Each individual manager should have the moral courage to resist unethical behaviours and temptations.

(xiv) The issue of commodity board should be revisited because the gains aided the development of the regions in the past.

(xv) Each individual manager should have the moral courage to resist unethical behaviors and temptations.

(xvi) There is need to incorporate citizenship and leadership training into our educational curricula at all levels.

(xvii) There is a need by the private sector to set up an export inspection agency.

(xviii) While endorsing the establishment of an NIM Code of Conduct, conference recommended the articulation of some specific areas that will constitute minimum standards of ethics in public and private sector organisations. Violation of such standards should attract some sanctions.

## 2.2 THE PRACTICE OF GLOBALISATION FOR MANAGEMENT

### 2.1.1 Introduction

So many organisations exists in the global village in line with already set or implied organisational structures. But the best approach to organisational structure management is to perform ORGANISATIONAL DIAGNOSIS (Fig. 4) as defined by Tom Lambert in his book key management solution. But how do we relate this organisation diagnosis to the structure of management in the global village? How do we face the global challenges for structure of management in the 21st century?

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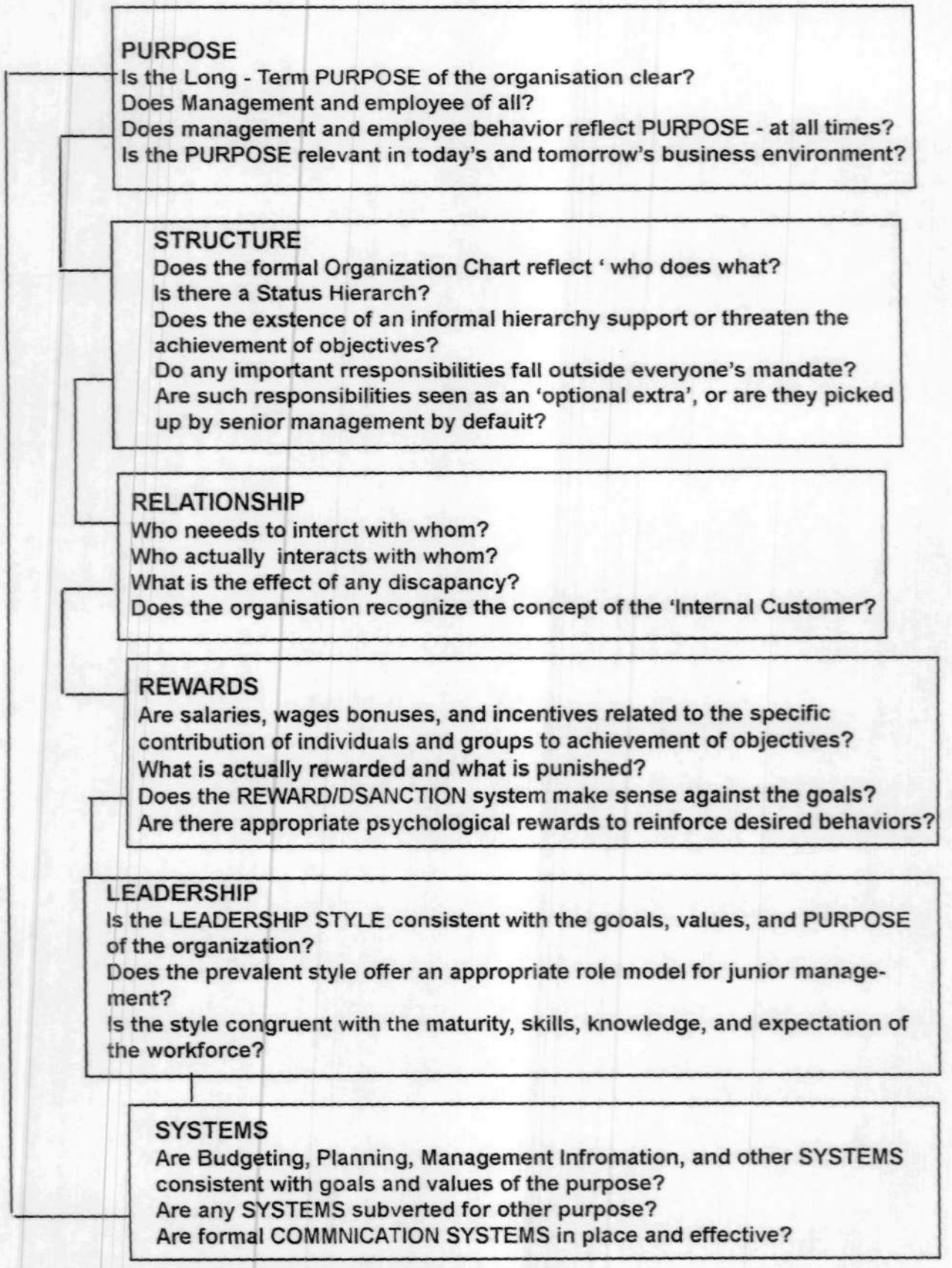



**Figure 4 - Organization diagnosis**

**Source:- Lambert, key management solution, Pitman Publishing P.236**

Illustrated global organising in Japan, U.S.A and China is Shown below.

| S/N | JAPANESE MANAGEMENT | U.S. MANAGEMENT | CHINESE MANAGEMENT |
|---|---|---|---|
| 1. | Collective Responsibility and accountability | Individual responsibility and accountability. | Collective and individual responsibility |
| 2. | Ambiguous decision responsibility | Clear and specific decision responsibility. | Attempts to introduce the factory responsibility system. |
| 3. | Informal organisation structure | Formal, bureaucratic organisation structure. | Formal, bureaucratic organisation structure. |
| 4. | Well-known organisation. Culture and philosophy; Competitive spirit towards other enterprise. | Lack of common organisation culture; Identification with Profession rather than with company | Identification with company but no competitive spirit. |

Source: Weihrisch and Koontz: Management - A global perspective (1994:348)

If we take the case of Nigerian economy systems how do we compare the above analysis in the different countries with ours?

We shall be faced with the problem of organisational diagnosis mentioned above. Can any Nigerian Company like NNDC be adjudged to have applied the above parameters to achieve success? This is a challenge to management of a Nigerian company in the next decade.

### 2.2.2 THE ORGANISATIONAL CULTURE

Another area that possess challenge to the management structure is organisational culture.

Organ sation culture can be viewed from three perspectives:- Excellent, average and unacceptable.

Excellent: Our culture reflects simultaneously the needs of the market in which we



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operate and the aspiration of all stakeholers. We regard as stakeholders in our enterprise our customers, our employees (including) our senior management team and directors), our shareholders, and the communities in which we operate, the business is driven to shared beliefs and values which ensure the commitment of all involved in the everything that we do. These beliefs and values are internally as externally consistent and are communicated to our distributors and suppliers.

We perceive ourselves as a business - not an organisation.

**Average:** Our culture has emerged as a result of the continuance of the best traditions of the firm as interpreted by our most dominant and influential leaders. We communicate the key values of our culture to all and expect people to respect them. Our culture has some effect on our choice of suppliers, distributors, and other commercial partners, but we will not feel justified in imposing our culture on others outside the firm. Our culture has contributed to the brand values which support our position in the market.

Unacceptable: We do not consider culture as an important part of the business. What it has evolved and its contradictions between what is said and what is done. People values and beliefs are their concern. Our concern as a business, is simply to ensure that employees do as they are told and stick to policies and procedures which are laid down.

Tom Lambert made a general statement which I tends to agree with him. Hear him. "If the way things are done around here ensures that you continually optimize your market opportunities, meet the aspirations of the workforce and the management

team, are seen by the community in which you operates as a good behaviour, and satisfy the expectation of your shareholders, you have the culture that you need for now. If any needs or aspirations change, you may need to change your culture to continue to satisfy them.

If you choose to enter the global or new market with new products you must reconsider the present culture, in the light of the new markets. Culture, like marketing plans is not infinitely transferable."

He emphasised further that if you must make a culture change it should be through **TOTAL QUALITY MANAGEMENT**. This is depicted in Fig. 5.

A change of culture is not a one-off thing. The top management of any organisation should always be alive to the need to change even the most successful, excellence-driven culture as circumstances change.

The most economic and least painful approach to culture change is one planned by evolution. Figure 1 will help the manager to keep his eye on the ball and take timely action.

2.2.3 **Leadership**

Another challenge that befall any organisation structure of management is the quality of leadership. Many organisations suffer from wrong leadership because Chief Executives are hand-picked from the society and no succession plan was made in the organisation. Any good management structure should avoid bad leadership.

According Tom Lambert (1996:113) leadership fails when:-

(1) Insufficient regard is paid to the total situation.

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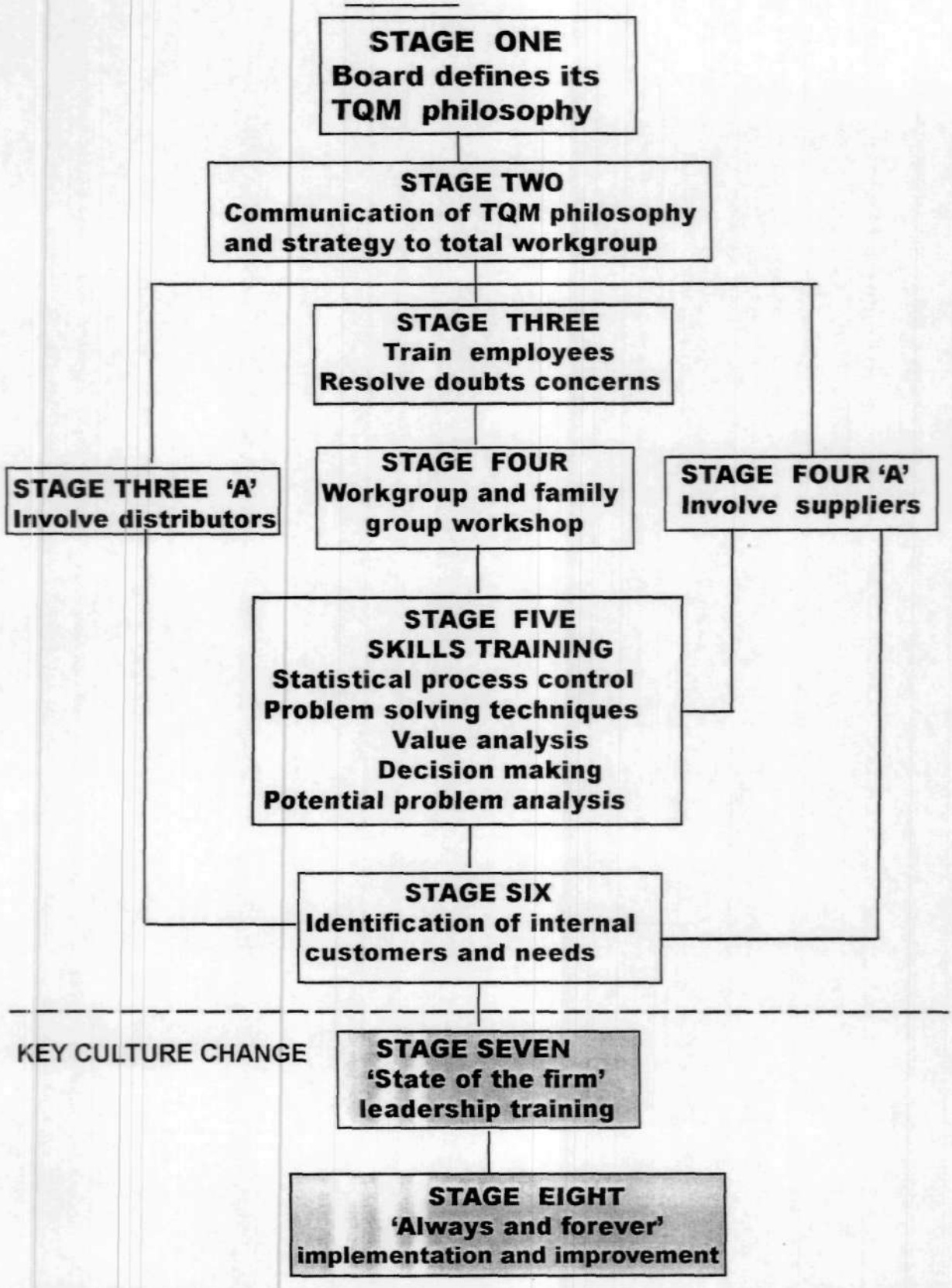



**Figure 5- Implementing cultural change through the principle of Total Quality Management**
**Source: Lambert, key management solutions (1996-242)**

(2) Leadership positions are used to reinforce status differences.

(3) Individual leaders are unable to operate beyond their comfort zones.

(4) Leadership styles are ideologically biased.

(5) Leaders fails to realize that feelings are facts.

(6) The dominant leadership style of the organisation is at odds with the needs of the strategy.

(7) Leaders lack flexibility and sensitivity to the needs of work groups.

(8) Informal leaders are allowed or encouraged to emerge.

(9) The philosophy is that leaders are born not made and training in the skills of leadership is ignored.

(10) Leaders are denied the opportunity to create early success for their groups.

(11) Leaders fail to communicate worthwhile and acceptable values to their teams.

(12) Leaders are motivated by wanting to be loved.

(13) Leaders are motivated by the need to have their personal achievement recognised rather than those of the team.

(14) Leaders regard their position on one of personal rather than organisational power.

### 2.2.4 **RISK MANAGEMENT**

According to Stijin Claessens, Senior economist, International Economic department of the World bank in his write up on "Risk management in Developing countries" proffer solutions to management of risk. He said risk management involves the management of currency, interest rate and commodity price risk, all external prices which influence a country's balance-of payments and macroeconomic performances.

as well as debt indicators.

Then what is a feasible strategy for risk management? The first step is taking an inventory of exposures and analyse risk; then, look at the domestic regulatory and legal framework covering the use of instruments; setting up or changing the institutional framework to allow the (private) sector access to risk management instruments (subject to supervision); making relevant parties aware of their exposures; introducing official policy makers and the private sector to the available risk management instruments and dispelling misconceptions; and finally, education and training.

Thus, management of an enterprise is exposed to risk especially in developing economies, then risk can be hedged out. If the government of the country can participate in risk management using the action plans discussed above. Management should in turn take advantage of government procedures in resolving risk management problems that may affect it.

### 2.2.5 CORPORATE GOVERNANCE

Corporate Governance is concerned with the processes by which corporate entities, particularly limited liability companies are governed. It is the exercise of power over the enterprise direction, the supervision and control of executive actions, the concern for the effect of the enterprise on other parties, the acceptance of a duty to be accountable and the self-regulation of a corporation within the statutes and jurisdiction of the country.

In the past, there was little challenge to management's prerogative to run the corporate enterprise unimpeded. There was therefore no demand for independent supervision nor transparent disclosure, no intervention in matters of accountability, no questioning of corporate power and legitimacy nor was there any disruptive intimidation from strong trade unions. As such, there was little interest in participating or involving in corporate management process, but today, there is an acute concern about matters of governance, corporate accountability, self regulation and policy from those external to the corporation. Thus, while management is about running a business, governance is about making sure it is run properly and that things work to ensure corporate stability. There are critical questions, arising from the quality level of governance such as: who exercise power of appointment of board members - is it the institutional investors, incumbent Board or the Chairman? How are the Chairman and Chief Executives to be appointed? Who make the nomination -the Returning Chairman, Major Shareholders, etc? Should the functions of Chairman and Chief Executive be separated? If not, who will monitor/oversee the top executive and who provides succession? What are the responsibilities of the boards of subsidiaries, and affiliates, how much autonomy should they have for business decisions or are they to be subservient to the management of the parent company? Who should be the membership mix of boards, should there be Non-Executive Directors and in what proportion? How can nominal Directors control the excesses of executives or should there be an audit committee largely controlled by Non-Executive Directors? These questions are limitless but the importance of

corporate governance cannot be overemphasised because of the need for regulated activities, to prevent abuses of corporate power without inhibiting flexibility, innovations and making Boards, more effective.

According to Yahaya M. I. (1998) he deliberated on problems and consequences of corporate governance in the Nigerian banking industry as:-

Pressure from the environment, instability of contract/tenure, government action, Board/Membership relationship, Executive Chairmanship, Ownership crises, Insiders Dealings; and Quality of Bank Directors.

He further gave pre-requisites for effective corporate governance in Nigeria Banks in the 21st century as: broad and deep knowledge and experience of Board members to face the demand of the banking institutions; improvement on information Technology, strong and knowledgeable management, power of authority to buy and implement board decision, independence and transparency of auditors; articulating functions of corporate governance - Accountability, direction, supervisions and executive action; motivation through reward system and finally Tenures of board members and management Team should be properly articulated for the impact of effective decisions to be felt.

Conclusively, he recommends panaceas for good governance in the 21st century as follows:-

(i) The government should concern itself with business of providing the enabling environment for the private sector to perform.

(ii) Full board should perform supervisory role of accountability and supervision

while the executive and other management committees should perform direction and executive action.

(iiii) Chairman-Board of Directors should perform the role of overseeing top executive management while Managing Director/Chief Executive should perform the role of strategic leadership and act as custodian of corporate image. culture and nurture key relationships with media, the institutions, employees, unions, governments and shareholders.

(iv) As we reach the 21st century, the domestic and global market becomes more complex. Thus, to stay afloat the board must have adequate knowledge, information and experience with which to make strategic decision.

(v) The issue of motivation should be attended to and benefits encouraged.

(vi) Our legal system should be free to deal promptly and decisively with erring and fraudulent board members so as to act as a deterrent to others.

(vii) The tenure of the Board of Directors should be visited. This is essential to forestall a "sit-tight situation and bad governance resulting from too long a stay".

(viii) External Auditors should be seen to be independent and transparent in their reporting.

(ix) The culture of Board appraisal should be improved and be seen to improve the relationship between corporate Board and its management. Thus, in corporate governance self evaluation is the beginning of wisdom.

## 2.2.6 POLICY FORMULATION/EXECUTION AND STRATEGIC PLANNING

The structure of management of a big enterprise in the global village today should be seen to consist of all facets of the organization. More often vital departments are created such as:-

(1) Finance and Administration department

(2) Commercial/department

(3) Production/operations department

(4) Corporate services department

(5) Investment services department

(6) Human Resources department.

The nomenclature of these departments may differ depending on the nature and scope of the enterprise.

Policies are formulated to guide the operation of these departments which are financial policy, marketing policy, investment policy, human resources policy, production policy, procurement policy, research and development policy.

The challenge that will face the management in the next decade will be moving from "Paper Policies" to the actualisation of the polices. Most often good policies are made for strategic management but the implementation becomes the bottleneck.

According to Osaze (1991) he claimed policy formulation is the bedrock of any enterprise while Tom Lambert claimed policies are for decision making and problem solving.

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Others feel policy formulation leads to strategic management which evolves from strategic and operation planning.

According to Tom Lambert as propounded by Michael Porter he gave seven steps to strategic planning. This is shown in (Figure 6) as model for strategic planning. By this strategic planning policies can be executed.

Most organizations will fail in the 21st century if they cannot achieve their strategic plans inspite of their very good policies. Then what are the pitfalls of strategic planning? Management should avoid these pitfalls. Corporate planning as envisaged in (Figure 7) often fails when:-

- The chief executives dominates the decision making process.
- The culture, leadership style, products, and services of the organisation are perceived as being unchangeable.
- Change is introduced for the sake of novelty rather than in response to a new vision or internal or external forces.
- Time cannot be found to fully develop strategies and develop a comprehensive written plan.
- Hidden agendas and company politics are allowed to motivate contribution.
- The people involved are not committed to ensure that the organisation does measurably better as a result of planning that it has never done before.
- The plan is not communicated to all those whose efforts and commitments will be needed to make it work quickly, in simple concrete language.

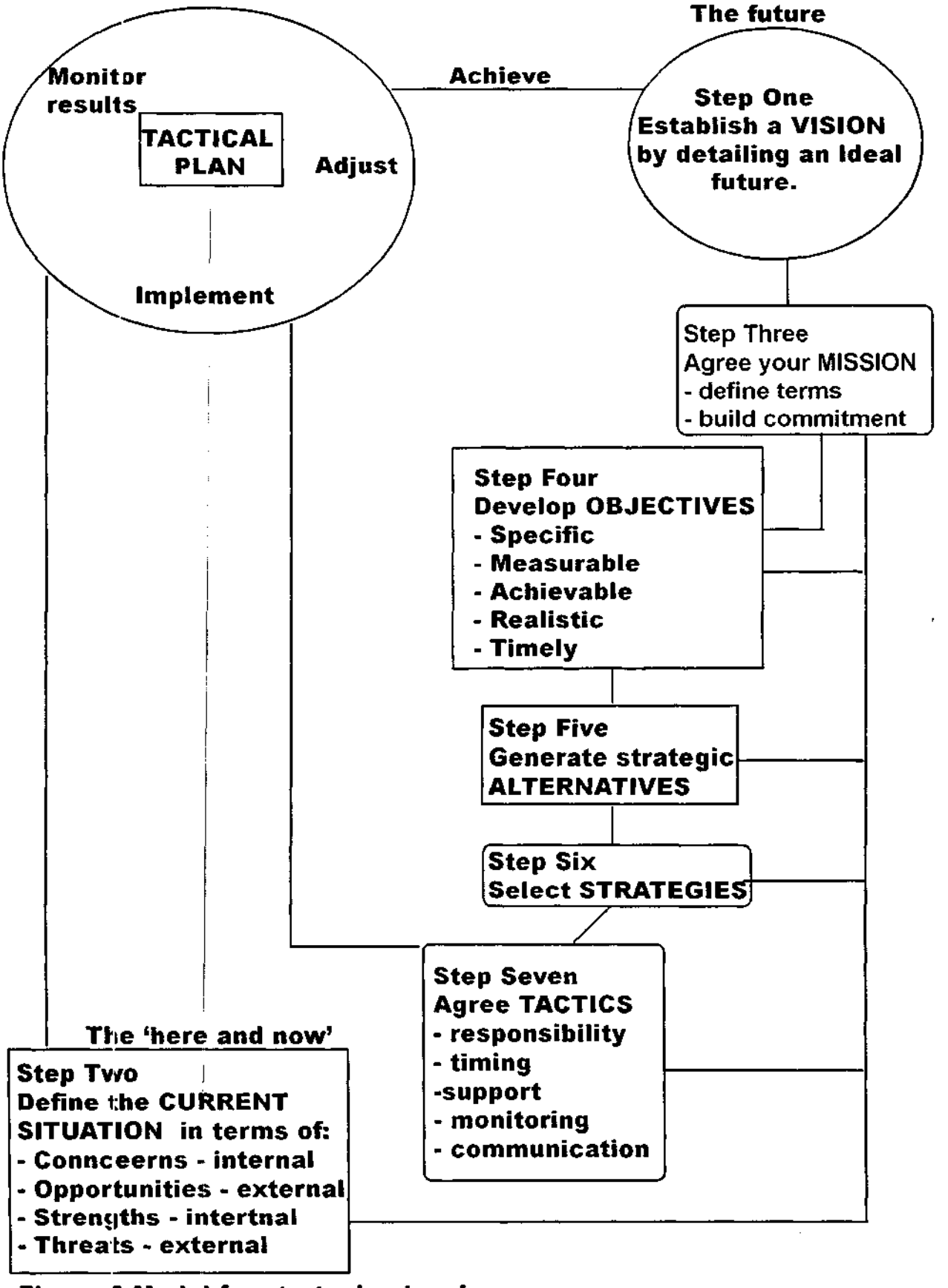



**Figure 6 Model for strategic planning**

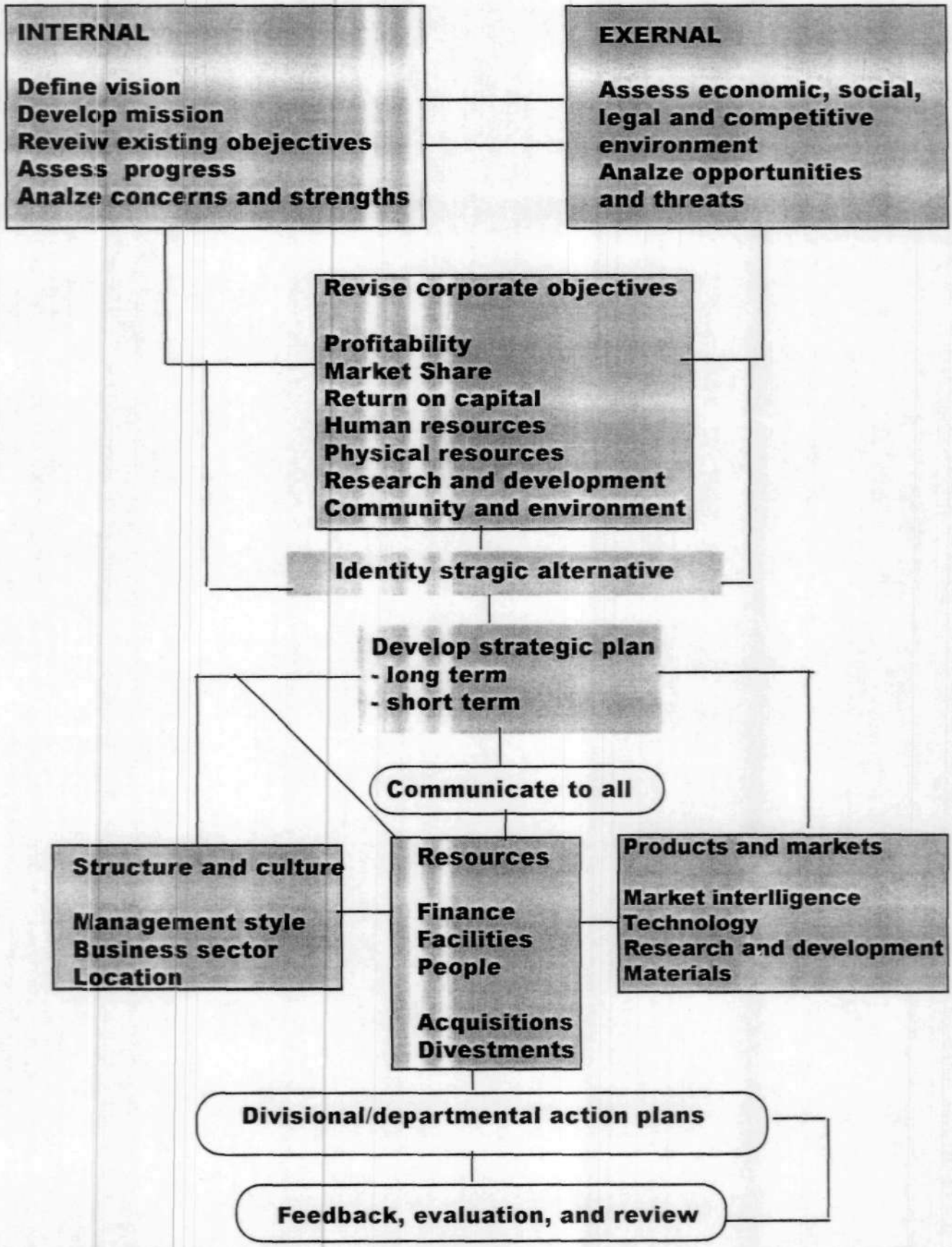



Figure 7 - Top team corporate planning; strategic: shaded boxes; tectical clear boxes
Source: lambert - key managent solution (1996 : 35)

- Reasonable aspiration of employees, management, shareholders, and other stakeholders are ignored.
- The establishment of objectives is rushed and goals are vague.
- The company is so close to going "belly up" that long term planning is irrelevant to survival.
- The chief executive does not believe in the planning process and senior management is not committed.
- The top management team does not proactively and daily demonstrate its commitments through its consistent behaviour. To use an Americanism which puts its succinctly, "management must walk like it talks for strategic planning to succeed".

Despite good policies, strategic planning and management, management will still witness problems in the next decade because of the growing complexity of the business environment. Management gurus have provided probable Techniques to problem solving. Lambert (1996:125) Thus:-

| | **Problem Type** | | **Probable Technique** |
|---|---|---|---|
| 1. | Deviation from Established Norm | - | Kepner Tregoe (Return to standard) |
| 2. | Quality or consistency problems in manufacture/warehousing/distribution | - | Kepner Tregoe |
| | | - | Synectics (invent new process) |
| 3. | People problems | - | Synectics |
| | | - | Brainstorming (Both with a serious Spicing of understanding |

| | | | |
|---|---|---|---|
| | | | of human behaviour) |
| 4. | Repair of machines or systems | - | Kepner Tregoe |
| 5. | Innovation | - | Synectics |
| | | - | Morphological analysis |
| | | - | Brainstorming |
| 6. | More than one problem owner | - | Synectics |
| 7. | Potential problem | - | Kepner Tregoe |

Furthermore, a critical approach to use any of the above techniques is to approach the problem by diagnosing it through situational Analysis, problem analysis, possibilities, evaluating possibilities, selected preferred alternatives, Test and implement.

Synectics and KT (Kepner Tregoe) Techniques are explained briefly:-

Synectics

This is carefully structured, step by step, logical approach to developing creative solutions to complex problems. It is at its best a team activity in which a lively atmosphere is intended to ensure that emotions are given their full weights in reaching an attractive solution.

Synectics requires that the problem is owned to ensure effective and committed implementation of any solution, but it requires more than that. It demands that the perception of the problem is and remains that of the problem owner. That perception may well change over time, but it changes if and only if the problem owner chooses to recognise such a change.

Figure 8 shows a skeleton for problem solving by synectics.

The process starts therefore, in group problem-solving session with problem owners defining their problems as they see it. (Figure 8) underlines the twin concepts of **ownership** and possible idiosyncracy: but binding personal **perception** and this stage is then known as the PAG. or **Problem As Given**.

**K.T model (Kepner Tregoe)**

This is aimed at finding effective, efficient and economic solutions to deviation from norms. Wherever what should happen is not happening although it has happened in the past, reach for KT.

KT sticks solidly to rational analysis. It involves the following questions:-

(1) What is the problem or deviation?

(2) Where is it experienced?

(3) When does it or did it occur?

(4) How old is the process or products when the problem first occurred?

(5) How often does it happen?

(6) How big is the problem?

- how much?
- how many?

Describing these two Advanced techniques can be little more than a refresher or a stop gap. Advocates of both synectics and Kepner - Tregoe methods conduct regular in-house and public training programs and I cannot emphasize too strongly the

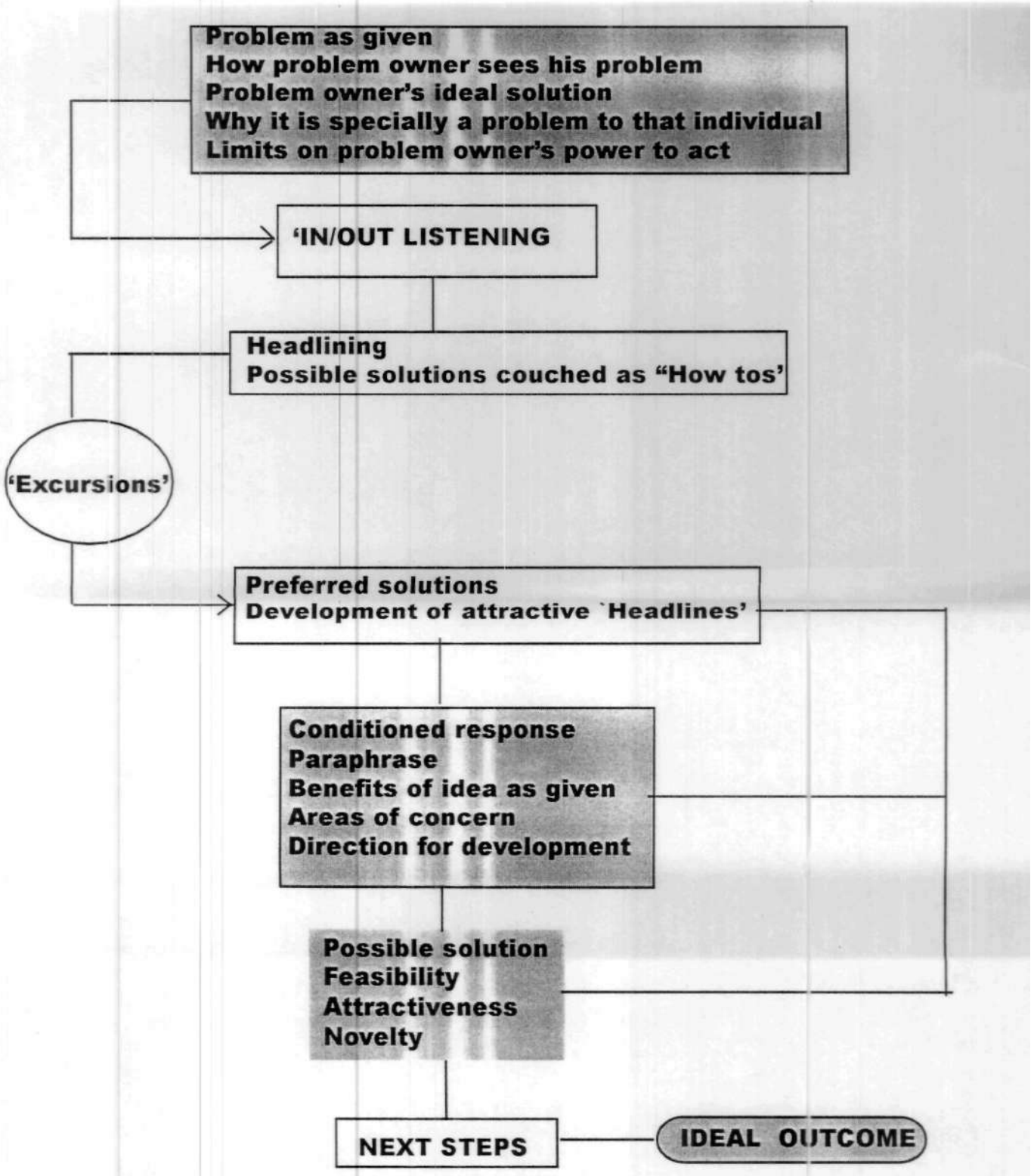



**Figure 8 - A skeleton for problem solving by Synectics**

**Source:- Lambert - key management solution (1996 : 128)**

advantages in attending both and using the powerful techniques which would be learned.

Both offer the additional advantage that they enhance team building activities - KT by providing a shared 'language' between different departments and specialism and synectics by bringing people together in an enjoyable activity with a serious and valuable outcome while avoiding the potential problems which are inherent in a premature search for consensus.

2.2.7 **Management of Departmental structure and Resources**

Most often, the problems that faces management is that of departmental structure and resources management. And this often leads to conflict in departmental functions and misplacement of schedules of the departments.

Child (' 972) defines organisation structure as "Relatively enduring allocation of work roles and administrative mechanisms that creates a pattern of interrelated work activities and allows the organisation to conduct, coordinate and control its works activities. Hall (1977) says organisation structure involves "division of labour" whereby people are given different task or jobs in an organisation". Then if we follow Hall definition there should be no conflict in departmental functions. So, components of structures must have:-

1. Configuration (the organisational chart)
2. Specialization
3. Standardization
4. Formalization



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5. Centralization/Decentralisation

If we consider specialization of functions, which refer to the extent of which the departments can undertake certain activities - finance, production procurement, investments, corporate planning, marketing, personnel etc then there should be no misplacement of schedules or functions of the departments.

If the concepts of centralization and decentralisation of management are to be considered, departments within an organisation will have autonomy to perform its functions diligently with emphasis on span of control and delegation of authority. Either specialization or centralization/decentralization is being abused in many organisational structure of management.

If this abuse in not eradicated, organizations will always pay dearly for their misfortune when it occurs because these bad effects may lead to mismanagement of resources. The going concern of an entity is always at jeopardy when the resources at its disposal are mismanaged. At this juncture, John Sherwood (1971) defined organisation development as an education process by which human resources are continuously identified, allocated and expanded in ways that make such resources more available to the organisation so as to improve the organization's problem solving capabilities. Subsequently we shall review in other chapters to what extent large organisations like NNDC has allowed its department to function as expected without conflict and misplacement of priorities in its resources management. Globally, the grouping of activities and people into department makes organization expansion possible. Departmentation can be done by simple numbers,

by time, by enterprise function by territory or geographical area by kinds of customers, served, and by process or equipment required. Relatively new kinds of departmentation are the project grouping, matrix or grid organisation, project organisation and Strategic Business Unit (SBU).

Organisation structures for the global environment may vary greatly, ranging from an export department at the headquarters to regional groupings, with many variations in between. In addition companies may have one or more functionally organized grouping within an individual region.

At any rate, the selection of a specific departmentation pattern should be done so that organisational and individual objectives can be achieved effectively and efficiently. Accomplishing this goal often requires mixing forms of departmentation.

2.2.8 Organisational Behaviour and Team Building

Our emphasis here will be on managing change, motivation, managing conflict, team building and organisational development because these are important aspects of the organisation that will be come challenges of Globalisation for management in the next decade.

**Managing Change:-**

According to Wechrish and Koontz (1994), the forces for change may come from the environment external to the firm, from within the organisation, or from the individual themselves.

Changes that effect managers and organisation development are:-

1. The increasing use of computers, especially microcomputers, requires that teachers as well students become computer-literate.
2. Education extends into the adult life. Lifelong learning becomes a necessity and educational institutions and enterprise must recognise the special educational needs of adults.
3. The proportion of workers knowledge will increase and the need for skill workers will decrease, which may require more training in knowledge, conceptional and design skills.
4. The shift from manufacturing to service industries require retraining in preparation for new positions.
5. The choice of educational opportunities will increase.
6. They may be greater cooperation and inter-dependence between the private and the public sectors.
7. Internationalization will continue, and so managers in different countries must learn to communicate and to adapt to each other. Companies need to train with a global perspective.

There are various ways to respond to these factors. One approach is simply to react to a crisis. Unfortunately, this is usually not the most effective response. Another approach is to deliberately plan the change. This may require new objective or policies, organisational rearrangements, or a change in leadership style and organisation culture.

Why initiating change in an organisation? Change is necessary because of

Challenges of Globalisation for management. Organisation needs to change to meet with developing complexities in the global village.

The change process according to **Kurt Lewin in his (field force theory)** involves there steps (1) Unfreezing (2) Moving or Changing and (3) Refreezing.

The first stage, **unfreezing**, creates motivation for change. If people feel uncomfortable with the present situation, they may see the need for changes. However in some cases an ethical question may rise regarding the legitimacy of deliberate creating discomfort that may initiate change.

The second stage is the **change itself**. This change may occur through assimilation of new information, exposure of new concepts or development of a different perspective.

The third stage, **refreezing**, stabilizes the change. Change to be effective has to be congruent with the person's self concept and values. If the change is incongruent with the attitudes and behaviors of others in the organisation, chances are that the person will revert back to the old behavior. Thus reinforcement of the new behavior is essential.

Then why people resist change?

(1) People may be afraid of losing their jobs because of insecurity

(2) Not knowing the reason for change

(3) Change may also result to reduction of benefits or a loss of power.

Total involvement of people at the planning stage and effective communication may reduce resistance to change. To what extent has any change effect NNDC shall be ascertained in this writeup.

Motivation

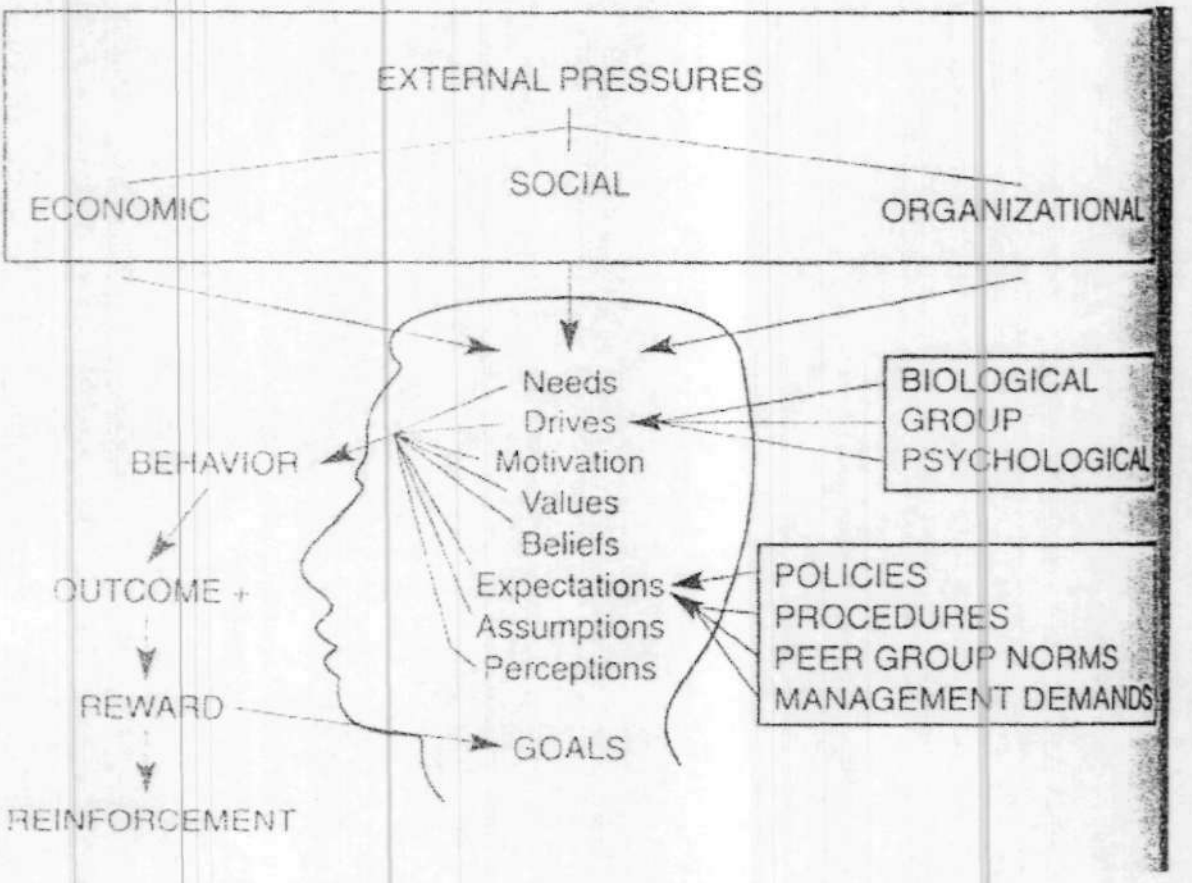
Motivation is about "man is a wanting animal". This can be seen on (Figure 9) and this assertion was further buttressed by Maslow's and Herzberg's theories of motivation (Figure 10) but some researchers challenged Fredenck Herizberg's theories, that his investigation methods tend to prejudice his results

Some theories have been propounded on motivation which cannot be elaborated in this study - they are the expectancy theory of motivation by Victor H. Vroom, Layman W. Porter and Edward E. Lawher III; Equity theory; Reinforcement theory; and Maclelland's needs theory of motivation.

I quite agree with Heinz and Harold (1994) as a management consultant that special motivational techniques are Money, Participation and Quality of Working Life (QWL). The Global challenges of motivation can be seen from the assessment of motivation levels by Tom Lambert (1996:35). He based his assessment on the above theories of motivation. These are low motivation, No motivation, Demotivation and high motivation Fig. 11 depicts this illustration.

We shall take a look at NNDC's level of motivation and its effect on the staff, job performance in the subsequent chapters of this study.

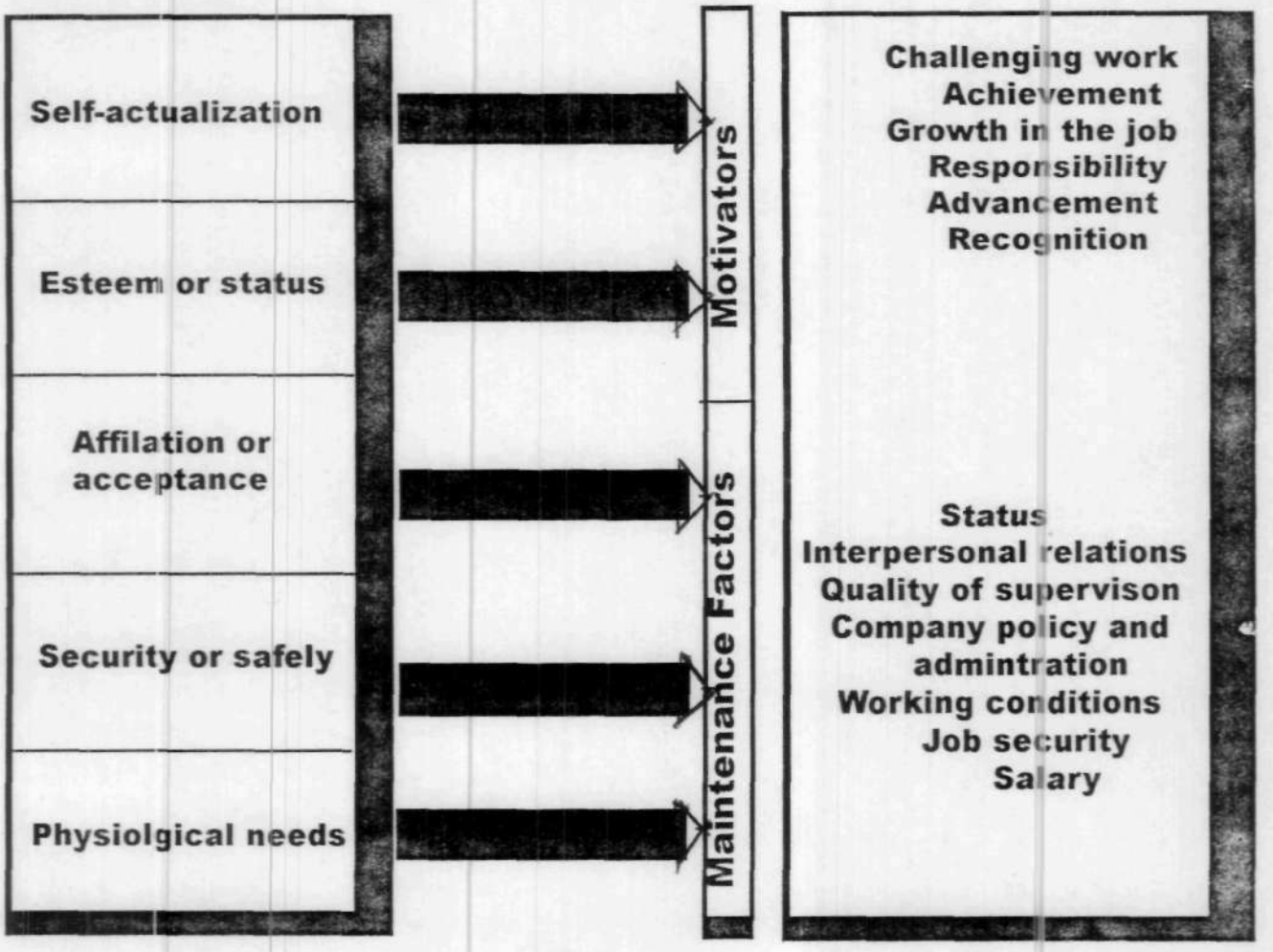
Source: Lambert – Key Management Solution (1996:54)




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**Figure 9: Man is a wanting animal**

FIGURE 10




**COMPARISION OF MASLOW'S AND HERZBERG'S THEORIES OF MOTIVATION.**

**Source:- Wahrich and Koontz**
**Management - A global perspetive - (1994 :40)**

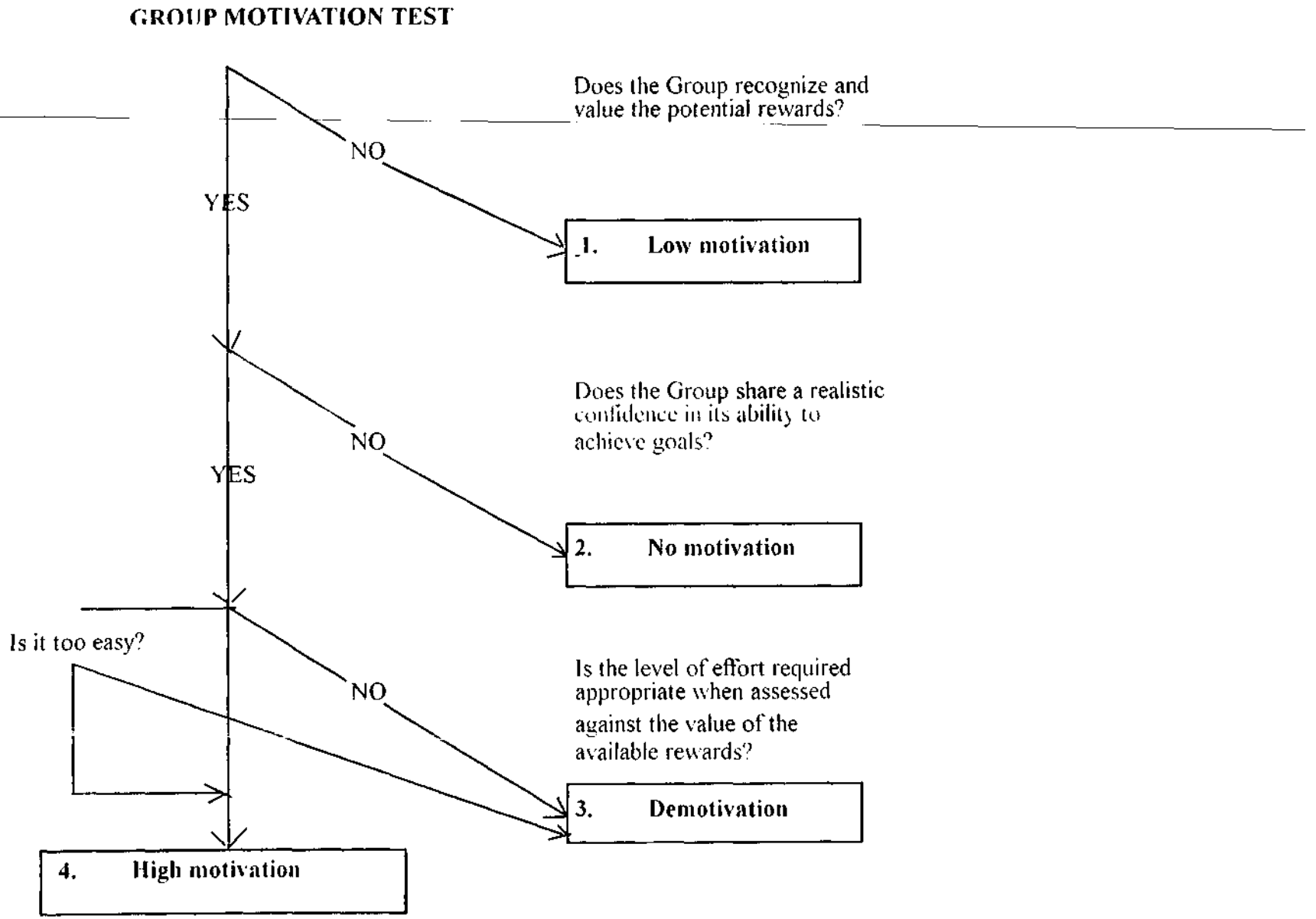



**Figure 11 - Motivation and reward: level assessment** **Sources: Lambert - Key management solution (1996: 57)**

## Managing Conflicts

We made mention of individual goals which may be contrary to the organisation's goals in our Chapter 1 and this may lead to conflict between staff and stockholders. Whether we like it or not conflicts are bound to ensue because of complex relationship and high degree of task interdependence that can cause frictions, people who have different values and different perception of issues, a superior autocratic leadership style, different educational backgrounds and lack of communication. Conflicts should be managed through:

(i) **Avoidance** of the situation that causes the conflict is an example of an interpersonal approach.

(ii) **Smoothing**, emphasizing the area of agreement and common goals, and de emphasizing disagreements.

(iii) **Forcing**, pushing one's own view on others, this of cause, will cause overt or covert resistance.

(iv) **Compromise**, agreeing in part with the other person's view or demand.

(v) **Problem-solving** approach to organizational conflicts, differences are openly confronted, and issues are analysed as objectively as possible.

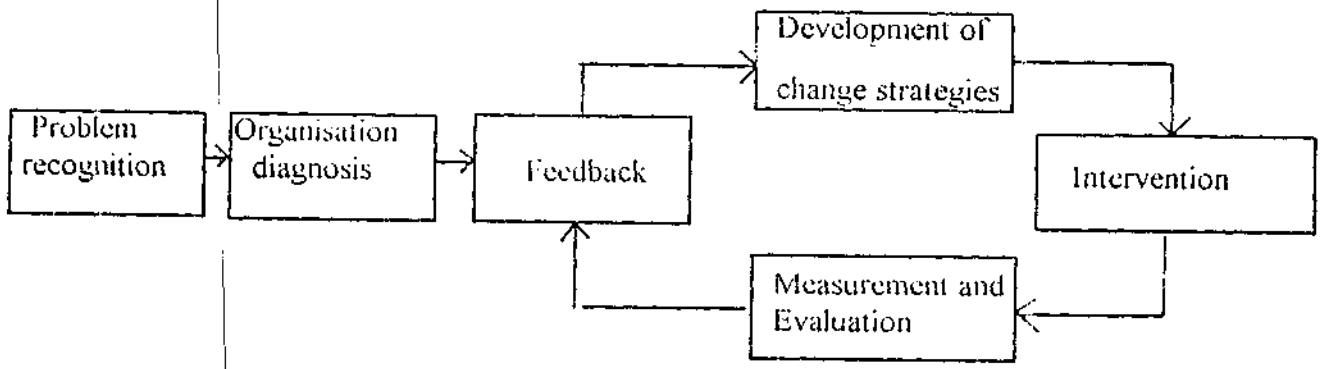
(vi) **Structural Changes**:- This means modifying and integrating the objectives of groups with different view point. Moreover, the organisational structure may have to be changed and authority-responsibility relationship clarified. New ways of coordinating activities may have to be found. Tasks and work location can also be rearranged.



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Tocay's management is faced with the problem of decision making and organizational development and these will continue into this new millennium. In order to avoid these incidences, management must develop the concept of team building, job creation, organisational behaviour, modifications, job design, stress management, career and life planning, and Management By Objectives (MBO).

A model for the organization development process that will aid team build and avoidance of conflict is shown below.




Although three phases complete organizational development cycle, the efforts does not end, instead, Organisational Development becomes a continuous process - planned, systematic and focused on change that aims at making the enterprise more effective (Culled from ***MANAGEMENT - A global perspective*** by Weihrish and Koontz (1994:434).

Global examples of organizational development process was adopted by General Motors USA to improve the effectiveness of its management system; reduced absenteeism and turnover. Chevrolet group also used OD program to improve employee job satisfaction, job enrichment, increase productivity, reduced petty grievances, improved departmental morale, and facilitate better interpersonal relationships.

2 2.9 **Decision making perspective**

Organisation uses committee for decision making because of group deliberation and judgement, fear of too much Authority in a single person, representation of interest groups, coordination of departments, plan and policies, transmission and sharing of information, consolidation of Authority, motivation through participation and avoidance of action. But the challenges facing management today will be the reduction of lost in time and money, compromise at the least common denominator indecision, tendency to be self-destructive, splitting of responsibility and tyranny by a few persons. Decision making through committees may be misused through abuses such as Replacement for a manager when individual dec sions are required, when research can hardly be carried out, when important decisions cannot be reached, when decisions are beyond participants Authority or used to consolidate Divided authority.

In order to prevent the abuse of committee making decision, managements must spell out the authority of the committee, size of the committee considered, members of a committee must be carefully selected, subject matter must be carefully selected,

selection of chairperson must be crucial, effective communication must be made, and it must be cost effective.

2.2.10 **Information Management**

Another important area which management must plan and control is information management consisting of.

- Information Technology Strategy (ITS)
- Information System Strategy (ISS)
- Information Management Strategy (IMS)

Earl (1988) adapted the above strategies for information management. He described:-

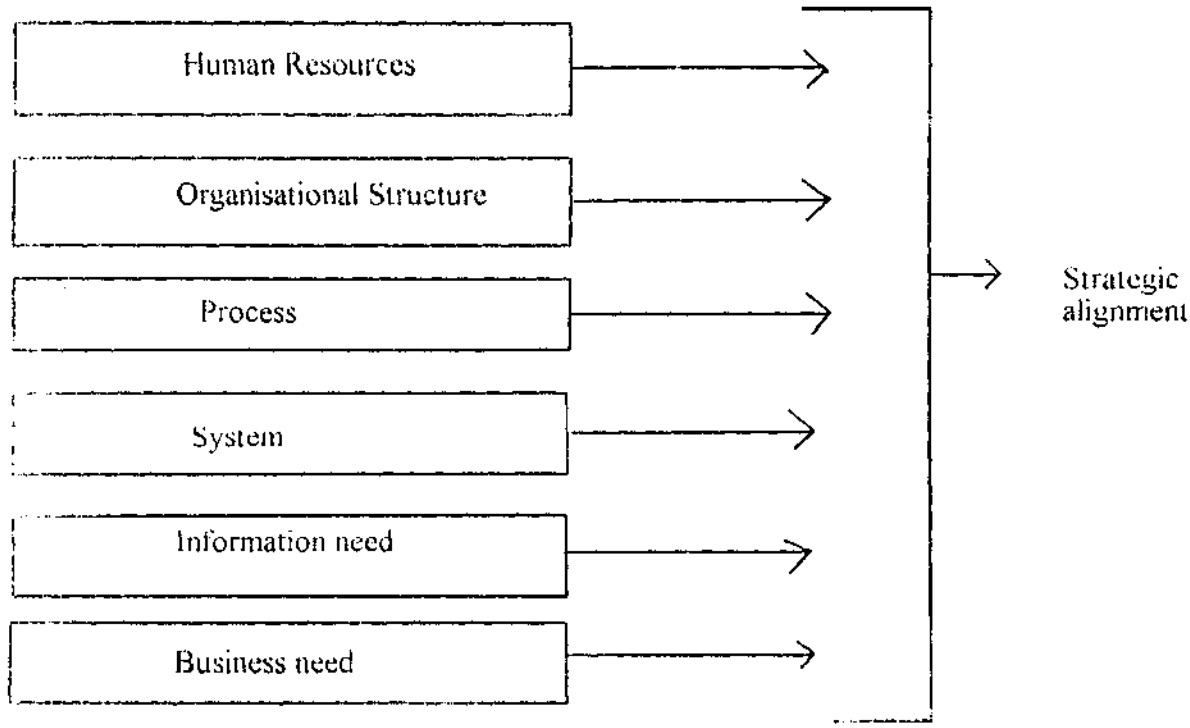
(1) ITS has department operational imperatives which includes, computing facilities, the data processing department, communications and the IT application themselves.

(2) IMS on the other hand has to do with the management and staff operational control activities, organizational structure, per se and planning. It is related to the topology of management, that is to say the relationships, manner and scope of IT operational control and the way in which IT affects or will affect the corporate operations.

(3) ISS describes the relevance of the corporate business direction, the corporate culture, targets, the economic and competitive business environment to the development of information system. It is most closely allied to, and should be aligned with corporate strategy. It is influenced by the positioning of the

corporation vis-a-vis its competitors in terms of efficiency, product range product development and culture, size, and the manner in which these are dealt with from a managerial and information management point of view.

These strategies' significance to management can be depicted as follows which indicates that there must be alignment among the facets of an organisation.




Any thing short of this strategic alignment will lead to breakdown of information management in any organisation. The Global imperatives of this alignment is to enable the enterprise function economically, effectively and efficiently.

A lot of challenges are embedded in each of the facets of this strategic alignment, any attempt to ignore any of the facets will lead the organisation to a doom because each has its control measures.

## 2.3 NNDC MANAGEMENT'S VISION FOR THE 21st CENTURY

According to Mayere L. U. (1999) NNDC over the years has continued tc maintained its six cardinal objectives which includes:-

(1) Engaging in activities which will promote and enhance rapid economic industrial and human resources development of its owner states in particular and the country in general.

(2) Direct investment in agriculture industry, mining, commerce and the science sectors of the economy as well as effective supervision of investment.

(3) Provision of consultancy services in various fields to government, companies and individuals.

(4) Assist owner states in investment agencies in the area of research and project promotion.

(5) Development and ensuring improved efficiency of the enterprises with the control of NNDC through mergers, acquisitions and takeovers.

(6) Assist in the growth of the country's capital market.

This is further buttressed by the ranges of services offered by NNDC in its bulletin on general information and operating policies. These are:-

1. Investment Advisory Services.
2. Legal and Secretarial Services.
3. Corporate finance services including loan syndication and interventionist Assistance.

4. Computer related services.

5. Hotel Development and Management.

6. Development of Managerial and Technical skills

7. Real Estate Management

8. Commercial Activities

In considering the Global challenges for the management of NNDC, the writer further stressed that - "Yet in this age of rapid socio-economic changes, due to the essentially high and equal rapid scientific and Technological innovations, the NNDC must fashion out strategy for coping with these changes. This step would invariably require the organisation to acquire the latest state of art facilities in the information super highway.

These would not only enable it to store and retrieve vital information, data and statistics but its personnel would also be exposed to the latest technology which no doubt would broaden their horizon. The organisation will therefore be in a position to withstand competitions with similar outfit both locally and internationally.

However, just as the NNDC contemplates ways of consolidating its gains with a view to becoming bigger and more formidable, it will not be out of place to build up equivalent organisation in the owner states. Certainly these would serve as a back-up for the conglomerate. Another advantage of promoting similar organisations in its owner states is that the NNDC would be able to concentrate more in carving a niche at the national economic level and by extension in international business.

Again, these similar NNDCs at the State level would be better placed to promote small

and medium scale industries at the local government level. In that way the NNDC objective of improving living standard of the people would be better achieved through provision of jobs and development of infrastructure and social facilities in the rural areas.

Besides these, one vital but untapped area is the exploration of liquid and solid minerals. Over the years NNDC has concentrated more in agriculture and agro-allied ventures. There is the need to extend the diversification strategy to the exploration sector.

Studies have attested to the availability of large quantity of liquid and solid minerals in the Northern States of Nigeria. The NNDC must tap these potential resources if it is to generate the unique capital that it would require to remain in business contention during this millennium. One other area NNDC can exploit in order to expand its asset base is land development. The real estate sector is one business area that is yet be properly tapped. NNDC's proximity to Abuja - Nigeria's Capital home should be an advantage that the organisation must utilise by investing in estate development. The financial benefits to be realised would be enormous".

After all said above, would the investment climate in Nigeria allow the management of NNDC to face these challenges in order to develop? The management imperatives of Globalisation of NNDC need to be examined in this study.

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# RESEARCH METHODOLOGY

## 3.1 Aim and Objective of this study.

The aim of this study is to show that management philosophies are founded on universal principles, which makes it possible for a manager to manage across cultures with the impending challenges of globalisation. But it must be emphasized that cultural differences do not have deleterious effects on effective management.

Since management and managers will be facing challenges of globalisation for effective corporate management, the objective of this study is to highlight the managerial skills needed to meet these challenges in the 21st century.

For management of any enterprise to survive the 21st Century it has to consider the global complexity in doing business otherwise it will fail. The global complexity is in different dimensions involving:-

- Companies imperatives within the parameter of competitiveness for globalization
- Global marketing promotions and joint ventures
- Global financial management
- Global trade patterns and agreements
- Global alliances
- Global new management ideas for corporate development
- Global man-management and culture
- Failure trends of global business

Although many distinguished writers, associations and institutes have carried out research study on this subject, they have treated "*GLOBALISATION*" generally with more emphasis on their environment but non of this group had paid concentration on a particular organization. For example the Nigerian Institute of Management generalized globalisation with no emphasis on a particular organisation.

Perhaps if the institute had taken a case study of a particular entity, it would have dissected the same and recommended vividly on the situation on ground as a way forward for other similar entities.

Bijlani H. (1994) "**Globalisation – an overview**" paid more attention on business policy with emphasis on international business and examples of product globlisation was made of Coke in Japan, Euro – Disney - transatlantic troubles, Klink Royal Dutch Airlines, Nippon Steel, SmithKline Beecham, AT&T, Xerox etc. And much could be gained from this text because of related examples in the same.

Contrary to the above views, the writer of this study has chosen a large business conglomerate in Africa as his case study – *NEW NIGERIAN DEVELOPMENT COMPANY LIMITED*. His emphasis on NNDC will serve as a base to judge on how a typical Nigerian business can meet the challenges of globalisation for management in the 21st country.

## 3.2 Conduct of the research work.

This research work was conducted by means of well designed questionnaire, verbal interviews, observations, study of the company reports and manuals, sampling techniques, and comparative analysis of related views on empirical research carried out by reknown researchers in the field of globalisation as compared to NNDC (New Nigerian Development Company).



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**Methods of Data Collection**

3.3 I **Questionnaire** - These were developed on the following bases:-

i) The facets of global business challenges

ii) The structure of the management of NNDC a case study according to departments in the company These are Group Managing Director's Office. Investment Supervision. Business Development. Management Services. and Corporate Relations

iii) The design of the questionnaires was open-ended in nature to give ample opportunities for the person answering them to be free to give his own views without restrictions

iv) The nature of this research work was primarily aimed at Executive Management group of NNDC and answers to the questionnaires were confidential in nature. because of the complex nature of the company

Before the questionnaires were designed for Executive Management group of the company. the researcher conducted findings of the company and observed that only the officers from the position of the Principal Manager upward can be allowed to answer the questions on the scope and nature of management of NNDC

v) The Executive Management group can give precise and concise answers to the questionnaires on the permission of the Group Managing Director.

vi) The researcher knowledge of global complexity in its different dimensions in Management was used in framing the questionnaires
Thus. the nature of Questionnaires are contained in the table shown below.-

vii) Considering the above facts. the questionnaires were administered on the following Officers ( Appendices F.G.H.I and J ).

a) **Nature and structure of management**
   - Company Secretary/Legal Adviser
   - Special Assistant to the Group Managing Director

b) **Investment Supervision**
   - General Manager
   - Deputy General Manager

c) **Business Development**
   - Acting General Manager
   - Deputy General Management (MIS)
   - Deputy General Manager (Business Development)

d) **Management Services**
   - Acting Deputy General Manager
   - Principal Manager (Personnel & Administration)

e) **Corporate Relations**
   - Assistant General Manager

TABLE 1

| S/no | Department | Parameters | Number of questions |
|---|---|---|---|
| 1 | Group Managing Director's Office | Nature and structure of Management | |
| | | - Level of NNDC Management | 7 (seven) |
| | | - Challenges and problems of NNDC Management structure | 4 (four) |
| | | - Organisation culture/social Responsibilities | 4 (four) |
| | | - Decision making and policies | 1 (one) |
| | | - Corporate governance | 1 (one) |
| | | | (18) |
| 2 | Business Development Department | - Mission and Vision of NNDC | 6 (six) |
| | | - Business Policies of NDC | 6 (six) |
| | | - Corporate strategies | 3 (three) |
| | | - Competitive and comparative advantage | 1 (one) |
| | | - Corporate plan | 1 (one) |
| | | - Management information system | 3 (three) |
| | | - Global marketing/investment promotion | 4 (four) |
| | | | 24 |
| 3 | Investment Supervision Department | - Vision of the department | 2 (two) |
| | | - Investment of NNDC | 3 (three) |
| | | - Investment Pollicies | 2 (two) |
| | | - Investment Strategies | 3 (three) 1 |
| | | - Investment Supervision | 1 (one) |
| | | - Risk Management | 1 (one) |
| | | - Investment promotion | 4 (four) |
| | | - Investment management | 2 (two) |
| | | | 18 |
| 4 | Management Services Department | - Human Resources Management | 13(thirteen) |
| | | - Financial management | 9 (nine) |
| | | - Management Development | 4 (four) |
| | | - Organisation behaviours | 5 (five) |
| | | - Labour Management Relation | 5 (five) |
| | | | 36 |
| 5 | Corporate Relation Department | - Corporate Relation policies and strategies | 1 (one) |
| | | - Functions and Responsibilities | 1 (one) |
| | | - Corporate achievement | 1 (one) |
| | | - Image promotion and corporate survival | 4 (four) |

### 3.3.2 Verbal Interview

In addition to the questionnaires administered above, the researchers conduct verbal interview on the following bases:-

i. Going by the parameters in the questionnaires set above some officers could not comprehend the questionnaires, therefore verbal interview had to be conducted to complement some of these questionnaires

ii. Some areas of the company could not be questioned but verbal interview augmented for these fact findings

iii. Details of some of the answers to the questionnaires could not be concluded without verbal interviews

### 3.3.3 Observation

The researcher also observed the modus operandi of the company. Notes were made during this process including qualitative and quantitative notes and illustrations.

### 3.3.4 Reports and Manuals

The researcher was also privileged to have past reports of the company concerning the performance of the company: Senior Management Committee Reports to the Board of Directors, Management Committee Reports on the Operations of each department etc Manuals on Operational Policies and Guidelines of NNDC, Personnel Administration, Investment Supervision, Business Development, Management Information System, Corporate Relations, Structure of Management etc where also collected from the company

### 3.3.5 Sampling Testing Technique

Stratified Sampling Testing Technique was used to corroborate the questionnaires. This was based on the research findings and observations listed on the bases of the questionnaires above.

Sample Testing hypothesis was conducted to distribute same regarding the questionnaires. The null hypothesis ($H_0$) test was not very sufficient on the sample questionnaires, thus alternative Hypothesis Test ($H_1$) on the samples was conducted to bring in verbal interviews, observations, reports and manuals.

The researcher expected to have 95% confidence limit on the answers to the questionnaires with a standard error of 5% being the precision level but the answers were below the confidence limit leading to verbal interview as an alternative Hypothesis testing to corroborate the answering of the questionnaires. The alternative Hypothesis testing ($H_1$) paid off ultimately

It is pertinent at this junction to give a table on how the questionnaire samples were distributed according to their categories and responses to buttress the above facts.

TABLE II

| S/no | Category | Nature of Questionnaire | No of Questions | Sample Responses | | Remark of Satisfactory Answer |
|---|---|---|---|---|---|---|
| | | | | Persons Served | Responded Persons | |
| 1 | Group Managing Directors Office | Nature and Structure of Management | 17 | 2 | 2 | 75% |
| 2 | Business Development Department | Global Business Development | 24 | 4 | 2 | 50% |
| 3 | Investment Supervision Department | Investment Management and Control | 18 | 2 | 1 | 50% |
| 4 | Management Services Department | Finance. Accounts Personnel and Administration | 36 | 2 | 2 | 95% |
| 5 | Corporate Relations Department | Image Building and Corporate Survival | 7 | 1 | 1 | 95% |

**SAMPLING TECHNIQUES**

Going by the above table 2. we can observe that -

i **Category 1** – Percentage of satisfactory answers given was 75% which is below the 95% confidence limit regarding the answers to the questionnaires expected. thus null hypothesis testing ($H_0$) was not sufficient but alternative hypothesis of testing ($H_1$) was used bringing in verbal interview and narrative notes to complement the answers to the questionnaires before reasonable judgement can be made

ii. **Category 2 and 3** – The percentage of satisfactory answer given was 50% which was below (2) two standard deviations under normal distribution which gives 66⅔% confidence limit. The standard error was high In order to complement the requirement for the research work. an alternative hypothesis ($H_1$) was tested which required bringing in verbal interview. observation. narrative notes and reports before 95% confidence limit could be achieved

iii. **Category 4 and 5** – The percentage of satisfactory answers falls within the Null hypothesis ($H_0$) of 95% confidence limit. The answer to the sample questionnaires was supplemented by narrative notes for sufficiency data required for this research work

3.4 **Validity and Reliability**

The data collected so far on this research work can be said to be valid because the data concurred with the principles and nature of predictive validity, concurrent validity, content validity and construct validity.

The data collected can be said to be reliable because they are evolved from company's policy on operations, and they are consistency of measurement over time. They can be tested and retested over time. They can also be useful to predict future trends of the company and expectancy in the global economy.

Another pointer to the validity and reliability of the data collected is the measurement of the company's existence as a business conglomerate for the past 50 years. The company was established in 1949 and since then it has witnessed management changes with related documentary evidences which can be used for any research work.

3.4 **Methods of Data Analysis**

The next chapter of this study is on the Analysis of these data collected. A comparative analysis will enable us conclude the position of NNDC's management ability to meet the challenges of globalisation which will form the basis of the company's survival in the 21st century.

The methods of data analysis in the next chapter will be as follows:-

a) Comparative analysis of aim and objective of this study with the review of related literature as they relate to the data collected on New Nigerian Development Company Limited.

b) The parameters used in the questionnaires and answers given in addition to the narrative notes, illustration and reports will be used as basis of comparisons with what will be expected globally.

c) The groupings of the various parameters in the questionnaire responses will be used as assessment of the various segments in the company and the resultant effects will be compared with challenges of globalisation for management in the 21st century.

d) Summary and conclusions of this study shall be derived from the above comparative analysis.

e) Recommendations shall be drawn from the data analysis via summary and conclusions ascertained.

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## CHAPTER 4

## PRESENTATION AND ANALYSIS OF DATA AND INFORMATION

### 4.1.0 THE NATURE AND SCOPE OF STRUCTURE OF MANAGEMENT OF NEW NIGERIAN DEVELOPMENT COMPANY LIMITED (NNDC).

#### 4.1.1 Historical Background and Corporate Profile

There have been series of versions about the historical background and corporate profile of the company in the last two decades of the 20th century as indicated in the different versions of the general information and operating policies manuals of the company.

Although these manuals were prepared on different dates but they all contained similar information about the company.

Noticeably is the recent one published in 1996 which is more comprehensive than the previous ones. The below extract was made from this version. Thus:-

The historical background of the New Nigeria Development Company (NNDC) Limited is inseparably linked with the history of the defunct Northern Region. At the end of the 2nd World War the colonial administration in the then Northern Region focused its attention on the problems of expanding and coordinating the economic actiivities of the region.

To achieve this objective, the Northern Region Production Development Board (NRPDB), the forerunner of the present NNDC was established in 1949. Its mission at the time was to provide social and economic infrastructures that

would enhance the quality of life and the well-being of the people. Thus the Board engaged in various agricultural support activities in the region including the construction of feeder roads, earth dams, agricultural settlement schemes, building of markets, abattoirs, motor parks as well as the provision of agricultural extension services such as seed multiplication schemes for cash crops like groundnut and cotton, tse-tse fly control and the distribution of fertiliser.

As the country moved towards self-government, the scope and activities of the Northern Region Production Development Board (NRPDB) widened with emphasis shifting from the production of export commodities to the development of the region in general. Thus in 1956, with the achievement of self-government, the NRPDB was reconstituted into the Northern Region Development Corporation (NRDC). In 1960, the organisation's name was further changed to Northern Nigeria Development Corporation (NNDC) reflecting the new nationalism achieved at independence. The Northern Nigeria Development (NNDC) at independence became the agency for socio-economic development of the Northern Region. It was engaged principally in activities aimed at enhancing the economic and industrial development of the Northern Region. The organisation served as a "Development Finance House" for the region.

The establishment of a new political order in 1976 which gave birth to the creation of states resulted in the dissolution of Northern Nigeria Developmen-

Corporation (NNDC) and in its place, a limited liability company was incorporated in the same name of "New Nigeria Development Company" (NNDC). The newly incorporated company commenced active development banking operations aimed at assisting the newly created states. Since then, NNDC's mission has been constantly redefined in line with the changes in the National economy. This dynamism in business focus has resulted in the emergence of a diversified holding company which has gradually metamorphosed into what is today a self-sustaining highly professionalised profit oriented development finance institution of its kind in the country.

NNDC is strategically structured to tap the investment opportunities and potentials of large scale strategic projects that are technically and commercially viable in consonance with the redefined business focus of the organisation.

The positive transformations experienced by the company over the years have contributed largely to the modest achievements recorded in the economic industrial and human resource development of the Northern States in particular and the Nation in general.

The company's financial strength arising from its pool of highly competent and professional human resource personnel has placed it at an advantageous position in terms of appraisal and management of projects, preparation of feasibility studies as well as project promotion and development.

4.1.2 **Ownership Structure**

The share capital of NNDC is ₦250 million made up of 250 million ordinary

shares of ₦1 each. These shares are held by the Governments of the Nineteen States which make up the Northern Region. The shares are held by the states in the following proportions.

| S/No. | STATE | SHARE HOLDING |
|---|---|---|
| 1. | Adamawa State Government | 4.56 |
| 2. | Bauchi State Government | 8.43 |
| 3. | Benue State Government | 5.10 |
| 4. | Borno State Government | 5.10 |
| 5 | Jigawa State Government | 8.74 |
| . | Kaduna State Government | 6.58 |
| 6. | Kano State Government | 10.26 |
| 7. | Katsina State Government | 7 42 |
| 8. | Kebbi State Government | 4.94 |
| 9. | Kogi State Government | 4.53 |
| 10. | Kwara State Government | 3.46 |
| 11. | Niger State Government | 6.94 |
| 12. | Plateau State Government | 8.62 |
| 13. | Sokoto State Government | 7.41 |
| 14. | Taraba State Government | 3.73 |
| 15. | Yobe State Government | 4.18 |
| 16. | Zamfara State Government | - |
| 17. | Nassarawa State Government | - |
| 18. | Gombe State Government | - |
| | | --- |
| | | 100.00 |

The Percentage shareholding of the new states were yet to be determined at the time of publication, however, the information would be reflected in subsequent edition of this publication.

4.1.3 <u>Objectives of the company</u>

NNDC's objectives have remained relatively stable over the years, while the operating strategies have continued to change to reflect the changes within the organisation and the national economy.

As a limited liability company in the business of development finance, the company's objectives are as follows:-

1. To engage in activities which will promote and enhance rapid economic, industrial and human resources development of the owner states in particular and the country in general.
2. Direct investment in Agriculture, Industry, Mining, Commerce and service sectors of the economy.
3. Effective supervision of investments.
4. Provision of consultancy services in various fields to Governments, companies and individuals.
5. Assisting Owner States Investment Agencies in such areas as research and project promotion and development.
6. Ensuring improved efficiency of enterprises within the control of NNDC through mergers, acquisitions, takeovers, etc.
7. Assisting in the growth of the capital market in Nigeria.

4.1.4 <u>Organisational Structure</u>

The company in the last decade of the century has maintained the following status quos, which were due to the changes in the head of affairs of the

company particularly the Group Managing Directors (GMD). Each GMD changed the organisation structure of the company to suit his leadership style. Thus, copies of these organisation charts are shown as Appendix A, B, and C.

(a) 1987 - 1992 - GMD (Mr. Daniel U. Ugbabe)

(b) 1882 - 1997 - GMD (Alhaji Adamu Aliyu)

(c) 1998 - To date - GMD (Alhaji Abdullahi Mahmood)

Our emphasis in this study shall be limited to the last structure consisting of the following:-

* <u>The Board of Directors</u>

This comprised of the secretaries to the government of the 19 shareholder states. The chairman of the board was appointed by the 19 owners state governors and the Group Managing Director, who is appointed on merit as recommended by the Board of Directors to the owner states governors. Subsequently, membership of the board normally changes with change in the administration of the shareholder states except for the chairman and Group Managing Director who usually have a fixed term of office.

The function of the board of Directors are:-

(1) Formulation of policies on investments, resources allocation, finance, establishment and Business development.

(2) Appointment of Management staff

(3) Deliberate on vital issues of the company through the following committees,

- **Finance and General purpose committee**

  Deals with General finance e.g Budget, expenditure, accounts, internal control etc.

- **Investment committee**

  Deals with investment criteria and approve investment and divestiture.

- **Establishment Committee**

  Deals with staff matters such as appointment, promotion, discipline etc.

- **The Management Team**

  NNDC has two-tier of management at the corporate headquarters - These are as follows:-

- **The Senior Management Committee:**

  The members are:-

  - The Group Managing Director (Chairman)
  - The four General Managers
  - The company secretary/legal adviser (Secretary)

This is the highest management decision making body and considers among others, issues raised by both management and Group management committee.

**Management Committee**

Members are:-

- The Group Managing Director (Chairman)

- The General Managers
- The Deputy General Managers
- The Assistant General Managers
- The Company Secretary/Legal Adviser (Secretary)

This committee handles all aspects of management decisions which are in board terms - Budgets and Accounts, Administration, Investment and Tenders. A subsidiary chief executive may be invited to a management meeting which considers matters pertaining to his/her company if need be.

Another committee outside the corporate headquarter is the Group management committee. This is chaired by GMD, comprises of GMs, DGM, AGMs, Chief Executive of subsidiary companies and the Company Secretary/Legal Advisers as Secretary. The committee meets quarterly to consider matters affecting the Group.

- **SUBSIDIARY COMPANIES**

  **Subsidiary Chief Executives**

  Subsidiary Chief Executive including those of the Hotels under AHL, will be recruited by the board of NNDC on the recommendations of NNDC Management and posted to a subsidiary company as its permanent employee. They will be responsible to their Board of Directors.

**Reporting Relationship**

NNDC Board holds the MD responsible for the effective performance of the subsidiary companies. The Subsidiary Company Board, on the other

nand, holds the subsidiary CEO responsible for the company's performance. The relationship should therefore be as follows:

a. The CEO will keep the MD fully informed on all major operational policy issues.

b. On non-routine issues requiring the Board approval, the MD should consult the General Manager (Investment Supervision) and obtain his advise before deciding whether it should be presented to the Subsidiary Board.

**NNDC Management and Nominee**

a. Internal Nominees on the Boards of subsidiary companies include the General Manager who is responsible for the company or his representative.

b. The system of consultations between external and internal nominees should be encouraged and strengthened to help achieve harmonious views on items of the agenda of the Board meetings.

**The Chairman's Forum**

a. This is one forum that meets three times a year to discuss significant issues of concern to the NNDC Group and agree on

appropriate strategies for dealing with them. The MD, General Managers, Subsidiary CEOs and NNDC Company Secretary/Legal Adviser should be in attendance.

b. The other forum is to meet once in a year with all outside nominee directors in attendance at a dinner party.

**NNDC Board and subsidiary Company Boards**

The Chairman of NNDC Subsidiary Companies may be externally appointed or from the membership of NNDC Board.

**NNDC External Nominee Directors on Boards of Subsidiary and Associate Companies.**

Management should have the right to request State Governments to replace unsuitable nominees for appointment to Boards.

**Interaction between Shareholders, the Board and Management**

a. Only the Board of NNDC should take final decision on what should be submitted to the Governors meeting and what form the submission should take.

b. The Board of NNDC should relate with Management, including subsidiary companies management, only through the MD.

* **Department**

There are four departments headed by General Managers. Divisions under

these departments are headed by either Deputy General Managers or Assistant General Managers. As I mentioned earlier changes have been made to restructure these departments with the aim of achieving efficiency and effectiveness of the operation of the Company. The most recent organogram shows the current departments and their divisions.

These are listed below:-

(a) **Investment supervision department** is responsible for investment supervision and has two divisions as follows:-

(i) Hotel and agro-allied services.

(ii) Manufacturing, finance and commerce.

(b) **Business Development Department**

- Planning and corporate development
- New business development
- Management information system

(c) **Management services**

- Personnel and Administration
- Finance and accounts

(d) **Corporate relations**

- Group coordination
- Public Affairs

The functions, responsibilities and assessments of these departments shall be discussed in subsequent paragraphs.

* The company secretary/legal adviser, internal audit division, and special assistant to the GMD are to report to the Group Managing Director but the Company Secretary/Legal Adviser will in addition report to the board as per the provisions of the company's articles of associations.

* The company formerly has a commercial department but in 1997, the functions and responsibilities of the department are now vested on a wholly-owned subsidiary of company called **NNIL Commercial Ltd.**

* Recently NNDC **floated** a company called New capital Property Company Ltd to takeover the function of Real Estate Management from the defunct corporate services department of the company.

4.1.5 **Policy formulation and Implementation**

The board of Directors are the policy making body of the company. The company policy guidelines includes; Investment, Business development, Management services, Corporate relations and Subsidiary companies. Policies of the company are formulated on regular basis to meet the need of the company.

The Responsibilities for implementation of the board decisions rests with GMD and the following procedures are adopted:-

(a) The company secretary makes a summary of decisions of the board and

discusses with the GMD to reach a consensus.

(b) The GMD communicates the discussions and cause effective implementation of the discussions.

(c) The Company Secretary makes a draft of the minutes within one week after the meeting and submits it to the Chairman for vetting.

(d) The Company Secretary will discuss and agree on the proposed agenda of Board meetings with the Chairman and GMD.

(e) The GMD will arrange to have all management submissions and a paper on matters arising.

(f) The Secretary will compile and distribute them to all board member at least two weeks before the Board meeting for policy decision making.

(g) General operating policies formulated are contained in the following manuals of the company:-

(i) Personnel Administration manual

(ii) General information and operating policies manual

(iii) Investment and Business promotion manual

(iv) Policy guidelines to affected departments and subsidiary companies.

4.1.6 **Organisation Culture**

The following culture are adopted in NNDC operations.

(i) To develop the owner states in terms of project financing, providing

employment opportunities and manpower development.

(ii) Equity investment in viable projects where inputs are sourced locally, insisting in good management projects, where for technical partners, NNDC must be satisfied with the level of competence of such partners. NNDC will only invest in project sponsored by individuals and organisation whose integrity and reputation is not in doubt. The company discourage investment in certain industries (e.g tobacco and brewery) on moral grounds.

General priorities is given to industries with:

a. Competitive advantage

b. Minimum regulatory influence

c. Acceptable risk/return profile

d. Identify supply gap/market

e. Fairly responsible entry and exit barriers

f. Minimum supplier/buyer influence

g. Potential synergy with existing NNDC investment

The company does not participate in the equity of an enterprise where a single investor (and his family) holds more 40% of the shareholding . The idea is to spread ownership and risk and thereby protect NNDC investment from the possibility of undue influence by a single investor.

Where NNDC is promoting a project, it will only pay up its portion of equity

after other shareholders (particularly promoters) have paid up.

iii) Loan investment

NDCC will make loan available to enterprise under the following:

a) That the loan are appropriately secured

b) That the loan s are repaid over a maximum period of 7 years including 2 year moratenum.

c) That NNDC charges a commitment fee of 10% per annum on undisbursed portions of the loan.

d) That a 2% negotiation and administration fee is chargeable in cases of loans denominated in currencies other than the naira.

e) That the borrower pays a legal fee to be determined by the NNDC legal department.

f) That NNDC be given a seat on the board of directors of the company until the loan is fully paid.

iv) NNDC will promote its business in line with the directives from owner states and federal government policies.

v) NNDC will conduct its operation so as to assist in the growth of the capital market in Nigeria and improve facilities for marketing of shares and securities and will revolve its own portfolio whenever it can do so on satisfactory terms.

vi) NNDC code of conduct is established to alleviate or prevent negative attitudes of employees in financial probity, accountability, work culture (behavior), exercise of power, and external relation.

vii) NNDC follows to procedure of employment of employees on their respective grades according to staff categories, state of origin, expenses, later performance rating, conduct of interview terms of employment (conduction of service)

(viii) NNDC follows its procedures on secondment and transfer of staff, leave and advances to staff, manpower development and training, leave, staff discipline and termination of employment, Staff performance approval,

compensation structure and salary administration, allowances and fringe benefit, grading and upgrading of staff.

(ix) To continue playing important role as development financing institution (D.F.I.) in Northern Nigeria.

(x) Changes in the leadership may cause change in the organisational structure of the company.

(xi) NNDC, still believes that management conflicts in the hierarchy shall be resolved by senior management committee, if impossible, by the board of directors.

xii) NNDC still believes in the application of total quality management principles.

xiii) The company shall always be restructured and reengineered by independent consultants such as Arthur Anderson, financial training institution (FTI) etc.

xiv) The company history and tradition shall always be the basis of governing NNDC.

xv) The company shall abide by government legislations from time to time in its operations.

xvi) The company shall always review its business focus according to global challenge.

xvii) Staff union is not encouraged in the companies and non has been in existence.

4.1.7 **Managing Change and Conflicts.**

The change in organisational structure of the company occurs when there are changes in administration of the government. This is due to government being the shareholders of the company. This invariably affects board membership changes and even the Group Managing Director.

Over the years frequent changes occurred to meet challenges of developing the company from its proper role of development financial institution to profit making ventures. This is to align with the recent business focus of the company.

The leadership style of most group managing director of the company is

characterised with changes in the line relationship structure involving the department. Thus, the frequent change in G.M.D. always necessitates changing in the position of managers from one department to another. When these changes occurs it is communicated to the affected persons without any prior notice. This changes always have temporary set backs in the operation of the company but soon these setbacks are always overcomed through acquaintances in the affected departments. In NNDC, changes always occurs with relevance to staff competence, experience and man power development. Recently, the company made some changes in line with its business focus based on government policy of investment changes in Nigeria. Generally, changes in the company is properly coordinated, controlled and planned in line with the mission and vision of NNDC.

Conflicts in the company is not very apparent but if it does occur, the senior management committee and management committee will resolve this conflict by interpersonal approach, emphasising on the areas of agreement and common goal and de-emphasizing disagreement. These committees also encourage compromise among the parties involved. Sometimes faulty party may be reprimanded.

4.1.8 **Social Responsibilities**

The expectations of the share holders are high, which involves owner states project financing, manpower development, employment opportunities,

development of tertiary institutions and public oriented charities etc. The challenges confronting the management of NNDC is meeting these request from the owner states.

The company has within its limited resources creditably performed its social responsibilities through the provision of jobs, by creating job opportunities, by participating in industrial development of owner states. And NNDC currently is proposing a graduate training scheme to aid its owner states.

4.1.9 Responsibilities over actions and decisions

Decisions taken in the board meetings are for the progress of the company and responsibilities for these decisions are borne collectively by both the board and the management of the company.

On the operations of the company, collective decisions are taken by the management committees. This is not to say that individual decisions are not made.

The Group managing Director takes decisions which he is personally responsible to take. This is characterised by the leadership style of GMDs of NNDC. His decisions which are vital are sometimes reported to the board of directors through his periodic briefing of the board.

This sole decision making is autocratic in nature without the prior approval of the board before implementation. I foresee certain sole decisions that may be taken to be faulty in this millennium because of the challenges ahead and

which may be detrimental to the progress of the company.

4.1.10 **NNDC corporate governance**

(i) **Stewardship reporting and judiciary duty.**

The Group Managing Director reports to the board of Directors on the total operation of the company from time to time. There is also a meeting of the consultative governors of the owner states to whom the Group Managing Director reports to from time to time.

In the bid to perform his fudiciary duty, the GMD never goes against the decisions of the Board of Directors nor the consultative meeting of the governors of owner states.

(ii) **Leadership**

No succession plan is in place in the company for the appointment of next Group Managing Director despite the tenure of 5 years engagement period of the same. It is hardly for the tenure of any incumbent GMD to be renewed. The GMD of the company is frequently on the change. Sometimes frequent change of GMD affects the business focus of the company.

Normally, the person to be appointed as Group Managing Director is always a seasoned administrator as per his background, experience and past records. Appointments of GMD is always based on the sentiments of the owner states. Each owner states wants its representative to

occupy this position. But recently the appointment of GMD is based on merits during the selection exercise by the Board of Directors.

(iii) **Influence of environmental factors:**

Environmental factors greatly has impact on the governance of NNDC, economic consideration is being the foremost, since the company is Profit-driven. Political Consideration affects the governance to the extent that sometimes sentiments of shareholders affects governance depending on the calibre of the Group Managing Director.

(iv) **Board/Management Relationship:**

The relationship of the board with the management of the company is usually within the limits specified by the articles of Associations and any relevant laws guiding the company. There is hardly any instance or incidence of dispute.

(v) **Ownership Crisis:-**

There has been no ownership crisis witnessed. However minor complaints are received from time to time as to the spread of representation of owners in the management of the company.

4.1.11A **Chart of Responses:-**

| S/No. | Division/Person | Number of Questionnaires | Percentages of Responses | Assessment of Responses |
|---|---|---|---|---|
| 1. | PA to GMD | 18 | 94% | See below |
| 2. | Company Secretary | 18 | 100% | See below |

### 4.1.11B General Assessment based on the result of analysis on the structure of Management of the company

In order to meet the challenges of Globalisation for the management of the company in the 21st Century, the company has engaged two different consultancy outfits to review the whole structure of the company and report on their findings and recommendations on the way forward for the company.

NNDC looks like a family business where the owners are glamouring for important positions in the business. The Bloodhound relationship of the family business still remains intact in the company. Someone would have expected to see where Direct foreign investment in shareholding will be accepted by the company. Hence we shall see more aggressive Board of Directors with foreign investor representative on the board and new innovatives will be brought on the board instead of the present board consisting of public servants with antecedented bureaucracy representing their owner states. Outside influences especially business oriented persons will play more business role on the board. Although the organisational culture, policy formulation and implementation; management change and conflict; social responsibilities and responsibilities over action are good; there will be need to restructure and reengineer the

organisation structure to bring in marketing oriented department to befit NNDC as a business conglomerate where international business ethics will be inculcated on the managers to boost the revenue base of the company. Owners of the company should allow the same to go international and the benefits will be reaped by the same.

Furthermore, going by the proposals put forward by Arthur Anderson which involves:-

- The need for specialist skill in the company,
- Improved reporting relationship between divisional heads at the headquarter and subsidiary chief executives,
- Elimination of overlapping of functions/activities between the revision and subsidiary companies,
- Emphasising certain key functions such as internal audit, Human resource management, Treasury management and portfolio management are put into practice as can be witnessed from the change in the organogram of the company, then the management is set to meet the challenges that will arise in the 21st century.

## 4.2 MANAGEMENT SERVICES DEPARTMENT OF NNDC

### 4.2.1 Preamble

This department is divided into 2 sections:-

(i) Personnel and Administration

(ii) Finance and Accounts

While the former implements and control the policy of the company as contained in its Personnel and Administration manual, the latter monitors, control and implements the financial policy of the company

The brief below is the summary of the functions and responsibilities of this department; thus:-

* Provides all the necessary support services needed for the day to day running of the company including finance, and accounts, personnel anc Administration.

* Assess the manpower development needs of NNDC and placement of staff on approved courses.

- Prior to 1998, this department provides legal counseling and advised on NNDC operations whenever the need arises; and protects the interest of the company members of the Group through the provision of sufficient legal counselling and advise.

4.2.2 (A) **Chart of Responses**

| S/No. | Division/Person | Number of Questionnaires | Percentages of Responses | Assessment of Responses |
|---|---|---|---|---|
| 1. | Act. Deputy Gen. Manager | 36 | 92% | See below |
| 2. | Principal Manager | 36 | 75% | See below |

4.2.2 (B) **Result of data Analysis**

In order to critically review and assess this department's services to NNDC. certain variables shall be considered. These variables may still pose challenges

to the management of the company. These are:-

4.2.3 **Human Resources Policies**

These policies are formulated by the Board of Directors of the company from time to time and these are contained in the Personnel and Administrative manual of the company. These policies comprises of:

- Appointment and employment
- Secondment and transfer of staff
- Loans and Advances
- Manpower Development and Training
- Leaves
- Staff Housing
- Discipline
- Termination of employment
- Staff performance Appraisal
- Compensation structure and salary Administration
- Allowances and fringe benefits
- Grading and upgrading of staff.

The human resources management of the company are carried out in accordance to these policies.

A critical review of these policies indicates the following:

- Specialist skill development through continuous training programme

which is widely spread to cover the whole organisation. This means staff are developed to meet the increasing complexity and challenges both in and outside the company.

Employment of staff are done when the need arises and emphasis is placed on staff from the owner states. Most importantly is that there are no redundant staff in the company, thus no provision is made for redundancy. The staff trend of the company can be seen below according to the departments.

| | Office of GMD | Investment Supervision | Business Development | Management Services | Corporate Relations | Others |
|---|---|---|---|---|---|---|
| General Managing Director | 1 | | | | | |
| Executive Director | | | | | | |
| Subsidiary Managing Director | | | | | | 6 |
| General Managers | | 1 | 1 | 1 | 1 | |
| Deputy General Managers | | 1 | 2 | | | 1 |
| Accountant General Manager | | 1 | | 1 | 1 | |
| Principal Manager | 3 | | | 1 | | |
| Senior Managers | | 1 | | 4 | 2 | |
| Managers | 3 | 2 | 3 | 2 | | |
| Assistant Managers | 1 | 2 | 5 | 8 | 12 | |
| Senior Officers | 12 | 12 | 12 | 12 | 12 | |
| Junior Officers | 20 | 20 | 20 | 24 | 20 | |
| Others | | | | | | 11 |

The subsidiary companies such as:

* Arewa Hotels Development Ltd.
* Northern Nigeria Investment (Commercial) Ltd.
* New Capital Development Company Ltd.
- etc.

apply the same employment policies since they belong to the group.

The staff turnover rate is very low - the rate at which staff leaves the company is at par with the rate staff are employed into the company, although a detailed statistics cannot be reached in the company for new employments, Resignations, Terminations, Retirements, Retrenchments and others.

* **Staff Motivation** in the company is highly encouraging and are specified in the condition of service of the company.

  Some of the attributes of the motivational facilities are:-

  * Staff take home pay is good and increased occasionally in line with government policy on wages Administration in the company.
  * Housing loan/allowances
  * Educational allowances
  * Medical benefits
  * Training and rapid promotion
  * Staff recognition
  * Reward for better performance

- Staff social security scheme such as workman compensation scheme, gratuity and pension scheme.
- Staff accident Bonus.

Despite these staff incentives, the staff still feels their welfare package need to be increased by a reasonable percentage.

These staff incentives have also contributed to the low staff turnover of the company.

- On the issue of acting capacity, staff on acting capacity are confirmed to their substantial post if they performed creditably well after six months and the availability of that vacant position.
- <u>Labour/Management Relationship</u>

  Although there is no labour union within the company, there is cordial relationship between the staff and the management of the company. Labour conflicts are resolved by the management committee through dialogue.

  As the company grows, staff demand needs to be negotiated, this may necessitate a labour union in the company to safeguard the interest of the staff.

4.2.4 <u>Financial Management Policies</u>

The finance and Accounts section is saddled with responsibilities of executing and implementing the financial management policies

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formulated by the Board of Directors.

The financial management Policies of the company consist of the following, thus:-

(i) As a Development Financial Institutions (DFI) investment policies are put in place relating to organisation culture of financing projects.

(ii) Budgetary provision and Expenditure control

(iii) Stewardship reporting

(iv) Preparation of financial returns and reports.

(v) Internal control measures to safeguard the asset of the company.

(vi) Treasury management

(vii) Risk management - Insurance policy

(viii) Continuous and statutory audit.

A critical review and assessment of these policies can be seen below:-

* **Capital base of the company.**

| | | |
|---|---|---|
| 1995 | - | ₦100 million |
| 1996 | - | ₦110 million |
| 1997 | - | ₦110 million |
| 1998 | - | ₦110 million |
| 1999 | - | ₦250 million |

These are paid up share capital by the owner states. In order to monitor the

investment of owner states in NNDC, the performance of these capital bases are reported to the Board of Directors who are representatives of the shareholders through stewardship report, financial returns and statutory Audit report.

- **Asset base of the company**

| | | |
|---|---|---|
| 1995 | - | ₦308 million |
| 1996 | - | ₦448 million |
| 1997 | - | ₦655 million |
| 1998 | - | ₦666 million |
| 1999 | - | ₦758 million |

The asset base of this company is on the increase, that is good omen for the company. But the question is "can this asset base take care of the Business focus of NNDC?"

The company is planning going into solid mineral and oil exploration which require huge amount of asset and capital base. The present asset base may not be sufficient for these ventures. There would be need for foreign investment and import substitution to meet the challenges of the 21st Century

- <u>Stewardship, financial returns and statutory Audit report</u>

The company prepares and submit financial accounts for auditing but it

does not consolidate the Headquarter accounts with that of its subsidiaries and Associated companies. Hence in complete reports are presented to the shareholders of the company. The internal Audit functions of the company still lacks the necessary bites to forestall inaccuracies in the company.

* Codification of Financial Instructions and Regulations.

The company has good control measures but these cannot be seen apparently in any financial manual showing financial rules and regulations of the company. The absence of the same may affect the implementation of some financial policies of the company because some executors of the policy may not know the scope and nature of the financial instructions and regulations of the company.

* Computerisation of the accounts division

The company cannot boost of quick and accurate financial reports due to non-computerisation of the accounts section. The company has Management Information System section where computers are used to process information for the management's consumption but same has not been fully extended to the preparation of financial statements of the company. In this world of globalisation, the challenges ahead are very enormous for any section of the company to be neglected without the use of modern information technology to process vital information. As

the company grows, information flow expands and the neglect of the use of modern technology may affect the quick and accurate flow of some vital information relating to the accumulation of financial data in the company.

## 4.3 BUSINESS DEVELOPMENT DEPARTMENT OF NNDC

4.3.1 This department can be said to be the main bone of the company due to its ability to develop and maintain the mission and vision of the same. It is divided into three sections namely:-

1) New Business Development

2) Planning and Corporate Development

3) Management Information Systems.

These sections are discussed briefly below, thus:-

(a) **New Business Development**

(i) To develop and maintain the mission and vision of the company.

(ii) To develop the vision to meet with the challenges of the company.

(iii) To maintain and implement the business policies of the company.

(iv) To develop the business focus for the survival

(v) As a pivot to meeting the needs, aspiration and expectation of shareholders

(vi) To provide the basis for the diversification of investments of the

company

(vii) To provide the impetus for the restructuring and re-engineering of the company to enhance its revenue generating capacity.

(viii) To provide basis for project investment and sourcing of off-shore financing thereby luring in foreign investment in form of equity financing, grants and loans. This is done through securing assistance of external aids bodies in the identification of joint venture/technical partners for industrial projects in Northern Nigeria.

(ix) To provide bases for human Resources development to meet the company's business focus.

(x) Identification, appraisal and promotion of all new investments subject to company's investment requirements and procedures.

(b) <u>Planning and Corporate development.</u>

(i) Assisting the business Development section in achieving the mission and vision of the company.

(ii) Assisting the company in attaining its social responsibilities to the owner states.

(iii) Planning for policies and strategic management of the company.

(iv) Coordinating and controlling the activities of this department.

(v) Determine and measure the performance of the company.

(vi) Participating in developing the company's corporate objective.

(vii) Establishment, management and administration of the company's planning process.

(viii) Planning for the services of the company such as investment Advisory services, legal and secretarial services, corporate finance services including loan syndication and Interventionist Assistance. Computer related consultancy services, development of managerial and Technical skills, Hotel development and management, Real Estate management and commercial services.

(c) Management Information System

(i) Computerisation of the company operation to facilitate timely and accurate information for quick and efficient decision on Business Development.

(ii) Provision of Data Bank for the company

(iii) Provision of computer related consultancy services

(iv) Development of manpower skill in information management for the company

(v) Recommend and advice on information management and Technology of the company

4.3.2 (A) Chart of Responses

| S/No | Division | Persons | Number of Questionnaires | Percentage of Responses | Assessment of Responses |
|---|---|---|---|---|---|
| 1. | Planning and corporate development | 1 | 24 | - | - |
| 2. | New Business Development | 1 | 24 | 87.5% | See below |
| 3. | Management Information System | 1 | 24 | 100% | See below |

4.3.2 (b) Results of Data Analysis

* Mission and vision for Business Development

NNDC mission is to be a diversified holding company which derives its financial strength from steadily increasing profitability and funding resources based on distinctive competence in managing equity investments and operating selected businesses with industries having superior economic and growth potential.

The survival of the company since it was established 50 years ago can be attributed to the attainment of the mission by the management of the company. It is on the basis of this mission that the company foresees a vision in investing in over 100 companies in Nigeria. These investments are in both quoted and unquoted companies operating in various industries such as:-

(i) General business conglomerate

(ii) Food, beverages and Drugs

(iii) Industrial and domestic Products

(iv) Insurance

(v) Textile

(vi) Packaging

(vii) Petroleum

(viii) Building Materials

(ix) Chemicals

(x) Banking

(xi) Hotels

(xii) Securities

(xiii) Construction and Allied services

(xiv) Metal Products

(xv) Transport

(xvi) Furniture

(xvii) Stationery

(xviii) Publishing

The market values of these investments as at today is over ₦1 million.

With this vision in mind of the management since its establishment, the company has gone into

(i) Business restructuring and re-engineering its services

(ii) In addition to investment promotion and supervision, NNDC also manages several enterprises particularly in the hospitality industry. Arewa Hotels (Development) limited, a wholly owned industry of NNDC remains one of the leaders in the hotel management industry in Nigeria. Arewa Hotels currently manages a total of over 20 hotel units spread all over Nigeria.

(iii) In 1998, NNIL (Northern Nigerian Investment Limited) a wholly owned company was converted to commercial outfit named NNIL commercial Ltd with the motive of providing a marketing department for the NNDC group.

(iv) In 1998 again, it established New Capital Property Ltd to take over the management of Real Estates of the NNDC.

(v) NNDC today provides Development Banking services that are responsible for the investment achievement recorded in the economic and social-industrial sectors of Nigeria and human resources development of its shareholder states and the nation as a whole.

(vi) Ailing projects in the owner states can be resuscitated making them viable and profit oriented.

(vii) Warehousing of shares of public enterprise privatized and those expected to be privatized.

(viii) Employment of indigenes of owner states into NNDC group.

(ix) In 1987, NNDC secured about $36 million loan from European Investment Bank (EIB) for on-leading to the projects in the industries agro-industrial sector, mining and Tourism sector of the company. In order to alleviate the difficulties experienced in debt servicing and repayment by most of EIB loan beneficiaries, interventionist assistance in the area of finance, technical management, training and marketing were obtained for seven (7) EIB funded projects in 1995.

(x) <u>Business focus strategies</u>

1. Based on a careful assessment of the opportunities in the Nigerian Economy after the introduction of Structural Adjustment Programme, NNDC has mapped out a new business thrust which focuses on investments in viable industries which utilizes local raw material. NNDC's investment priority is to promote new project in the following sectors.

a) Manufacture of industrial chemical (specifically fertilizer, caustic soda, pigments and dye-stuff)

b) Pharmaceuticals

c) Petroleum and petrochemicals

d) Mining (specifically, the exploration and refining of raw salt, gypson and other cement raw material)

e) Airlines

f) Shipping

g) Metal fabrication

h) High tech. (with focus on the manufacture of Pruned Circuit Boards and generic micro-processors)

i) Mortgage financing

2. Management Development in business skills e.g training and retraining of staff.

3. Business management restructuring to meet the challenges of globalisation.

4. Re-engineering of its modus operandi to enhance revenue generating capacity through reshaping of its consultancy unit, industrial opportunity study, diagnostic study of ailing projects e.t.c

5. Partnership or joint venture with other business organisation in fo.m oi one or a combination of the following:

   i) Equity participation

   ii) Technical partnership

   iii) Technology transfer

   iv) Feasibility studies

The above combination have been successful in their project financing, participation in the management and controlling of organisations that are subsidiary and associates of the NNDC group. Despite the company's success, the participation is still localised in the Nigerian economy. The company has

not taken the advantage of various legislation of investment promotion in Nigeria with the outside world.

6. **NNDC presentation to the Nigerian Vision 2010 committee**

**The Vision 2005**

It is the vision of the management that by the year 2005, NNDC would have:

i) Built financial and organisational capacity to play the leadership role in investing in the Nigerian economy,

ii) Transformed into a development finance institution with a slim but highly profitable portfolio of investments in the sectors with superior economic growth potential,

iii) Promote and invest in viable projects, beyond the competence of smaller development finance institutions in sectors identified as economically strategic to NNDC owner states in particular and the nation in general.

**Vision objectives**

1. **Organisation reorientation with specific goals**

(i) NNDC corporate organisation to be downsized and duplication reduced.

(ii) Training and retraining to further develop skills of management, professional technical and other personnel as well as put in competitive compensation package that will be attractive.

(iii) Strengthen NNDC relationship with umbrella organisation of DFIs, United Nation development organisation and similar international organisation.

2. Attaining a slim but portable portfolio.

3. Building up capacity for project promotion and investment.

4. Promotion of strategic projects.

5. Other management strategies as business focus

- Continue reappraising of existing investments for continuous investment or development.
- Enhance portfolio management of investment.
- NNDC financing of working capital requirements of highly viable projects already granted terms loan but are constraints by lack of adequate working capital.
- In view of the dynamic changes in the global economy, NNDC will continuously carry out strategic planning with a view to identifying opportunities and threats and therefore position itself to face future challenges.
- NNDC will initiate and appropriate strategy for increasing mobilisation of saving e.g. by establishing unit trust and revitalization of community banks, develop local entrepreneurs and continue to assist in the development of human resources.

- NNDC is to publicise and promote the investments potentials of owner states to both foreign and local investors. In this regards, project profiles will be provided by foreign embassies for appropriate action.
- In line with the approved NNDC vision 2005, NNDC could spearhead oil exploration and the development of solid minerals particularly in the Northern States. Appropriate foreign technical partners can be identified and approached.

From the above analysis, it can be said that NNDC has a very good vision and business focus that can meet the challenges of globalisation in the 21st Century but the snag here will be maintaining and execution of these business strategies by the management of NNDC.

4.3.1 Benefits of Associating with NNDC

Some of the benefits to be derived from associating with NNDC include:-

(i) Capital Base.

The company has strong capital base with steady growth and has access to the capital market.

(ii) Ability to influence monetary transactions

With position of NNDC in the banking sector it is easier to repatriate profits, repayment of foreign loans etc.

(iii) Good financial resources

NNDC can secure line of credits from African Development Bank.

International Finance Cooperation, World Bank etc.

(iv) NNDC has ready-made pool of human resources who are competent to guide in the implementation of new projects in Nigeria.

(v) Experience in projects financing and joint Venture partnership.

(vi) Experience with international agencies, NNDC has bilateral and multilateral relationship with international finance corporation, united nation industrial development organisation, common wealth development corporation, the centre for the development of industry, Brussel, the European Investment Bank, United Nations Development programme etc.

(vii) **Ownership Structure**

Owned by 19 States of Nigeria gives several privileges and advantages to the company. Inspite of government ownership, NNDC has been operating as a company in the private sector.

(viii) **Identification of Local investors**

The company is in good position to identify suitable prospective local investors for joint partnership with foreign entrepreneurs.

4.3.3. **Other survival business policies of NNDC**

- Continued investment in viable economic sector.
- High professional management through training and retraining of management and staff.

* Progressive Human and Public Relations and ethical values.
* Deep commitment to Nigerian Economic growth.
* NNDC has been quite stable in the policies formulation and execution. That is no frequent changes.

4.3.4. **Management information system**

In line with the world trend, NNDC over the past 10 years, adopted a management information system policy of systematically computerising her operation. This is to facilitate access to timely and accurate information for quick and efficient decision making process.

The MIS strategies adopted by the NNDC include:-

(a) Acquisition of computer hardware and information technology equipment.

(b) Recruitment of staff with expertise in computerisation for the systematic in-house design, development and implementation of her computerised operations.

(c) In house maintenance of her information Technology equipment as a cost-saving measure. This is also with a view to reducing time of corporate data processing.

(d) Utilization of the IT expertise and equipment to render

consultancy services with a view to enhancing NNDC's revenue.

All said and done, all operations of NNDC have not been computerised in line with the current global challenges. Although there are microcomputers configured into Area Net work, there is no proper Real - time or On-line processing of information within the NNDC group.

Information management takes the form of vertical hierarchical dissemination in all cases. Information stored in Data bank are secured with password to disallow unauthorised access to the information. Credit could be given to the management of NNDC for monitoring the overall performance of its investment through effective management information system because it is able to determine the viability of its Business ventures and ease of information access which in turn leads to quick decision making.

### 4.3.5 NNDC Business Promotion in the Next Decade

The major problems that could confront the company's management in business promotion in the next decade are:-

(a) The inability of the board of directors to accept global ventures.

(b) No autonomy for horizontal managers and subsidiary companies to take unilateral decision to perform without the board of directors approval.

(c) No co-ordinating units for the N.N.D.C. consultancy services.

(d) The social responsibilities of the company is to the shareholders instead of going into international commercial ventures for the needy public to benefit.

(e) Business focus may not be fully achieved by the management of NNDC because of the frequent changes in leadership of the company.

(f) Civil service oriented managers may be posted to positions in the organisation which will require business aggressive managers.

(g) There may not be important change in the business policy of N.N.D.C. It may stick to the policy of development financing of its owner states.

(h) International business ethics may still be lacking in the business promotions of the company if its version 2005 is not accomplished.

## 4.4 INVESTMENT SUPERVISION DEPARTMENT OF N.N.D.C.

### 4.4.1 NATURE, FUNCTIONS AND RESPONSIBILITIES.

The investment supervision department is subdivided into two divisions for the purpose of monitoring and controlling the investment portfolio of the company. Thus:-

(a) Hotels, agro-allied and services division

(b) Manufacturing, finance and commerce division

The overall department is headed by a General Manager who supervises the Deputy General Managers heading the two divisions.

The department performs the following major functions:-

(i) Monitoring of all existing investments in the subsidiary and associate companies (Appendix D show the level of NNDC investment in quoted and non-quoted companies);

(ii) Maintenance of a subsidiary and mutually beneficial relationship between its subsidiary and associate companies.

(iii) Offering advice to companies in which NNDC is invested in order to ensure attainment of the corporate objective of the companies.

(iv) Maintenance of a data bank for the purpose of effectively monitoring the performance of NNDC investments.

**NNDC Culture on Investment**

The company's culture on investment can be seen from the NNDC investment criteria listed in Appendix E.

4.4.2 (A) **Chart of Responses**

| S/No | Division/Persons | Number of Questionnaire | Percentage of Responses | Assessment of Responses |
|---|---|---|---|---|
| 1. | General Manager | 18 | 100% | See below |
| 2. | Deputy General Manager | 18 | Nil | Nil |

4.4.2 (B) **GENERAL REVIEW AND ASSESSMENT AS RESULT OF DATA ANALYSIS**

* **Management imperatives for globalisation of investment**

The management vision for global investment made by N.N.D.C. is always to ensure that through steadily increasing profitability from its investment N.N.D.C. derives the required financial strength necessary to meet it objectives. And this vision has been accomplished to a great extent by the management of the company. The asset base of the company has been on the increase since the last decade and it will continue to increase especially now that the company is focusing on investing in other areas such as cement and manufacturing, solid mineral processing and oil exploration.

The management policies on investment is quite encouraging source its considers the following:-

- The viability of the project.
- Local sourcing of inputs.
- Emphasis on the quality of the management in the subsidiary and associates companies.
- Credibility of sponsors.

- Nature of industry.

- Dominant of shareholders position.

In order to maintain the growth, monitor and control investment in subsidiary company, the management of N.N.D.C. devised the following methods of managing its investment.

(1) Increase the nominee Directors appointment on the board of this company which are mostly internal staff of N.N.D.C.

(2) Appointment of Chief Executive Officers for the subsidiary companies.

(3) NNDC Group Managing Director is the chairman of board of Directors of the subsidiary companies.

By the time NNDC fully globalises its investments, foreign investors should be made to serve on the Board of Directors as Executive Directors.

* <u>Investment Portfolio Management.</u>

The investment portfolio consist of equity participation in over 100 business entities quoted and unquoted in the Nigerian Capital market. The company has diversified its investment to cover the following industries.

- Hospitality Industry (Hotel)
- Banking
- Insurance
- Finance

- Real Estate Services
- Building Materials
- Construction
- Metal Products
- Packaging
- Agro-Allied
- Publishing
- Stationery
- Textiles
- Food, Drug and Beverage
- Transport
- Furniture

As a matter of policy in the portfolio management, the management of NNDC considers the principles of Efficient frontier and efficient portfolio. In this regard, the risk management of its investment portfolio involves divesting in non performing projects, change the management of inactive companies, and continuous review and assessment of its subsidiaries and associate companies.

As part of the monitoring exercise of the investment portfolio of the company there will be the need to instil discipline or encourage visitation to the project purposefully. Nominee Directors should help NNDC to get unlimited access to the

operations of the subsidiary companies.

Nominee Director to furnish the investment supervision department on the progress report of the company regularly. The investment supervision should visit the capital market to enable NNDC determine the extent to which the shares of the subsidiary company are performing in the capital market.

4.4.4 **Investment Strategies of NNDC**

After considering the investment criteria of the company as its strategies on investment, it also has to consider the following:-

(i) If the sourcing of raw material for project will be adequate.

(ii) Ability of a project to generate foreign exchange.

(iii) Import substitution - it considers projects that can produce services that can be exported.

The strategies to improve the investment Supervision and Promotion of the NNDC are to make sure it implements the provision of its vision 2005 statement and take advantage of wooing foreign investors as partners in joint venture.

4.5.0 **CORPORATE RELATIONS DEPARTMENT OF NNDC**

4.5.1 **NATURE, FUNCTION AND RESPONSIBILITIES**

This department is subdivided into two divisions namely:-

(i) Group coordination division

(ii) Public Affairs division.

This department is a new innovation introduced by the management of NNDC to articulate and promote the image of the company. Prior to the 1998 organogram of the company, the Public Affairs division was under the supervision of the Group Managing Director but now it is a full-fledged department with another division called the Group coordination section.

The department is headed by a Deputy General Manager who takes care of the Group coordination division and in addition supervises the public Affairs division headed by an Assistant General Manager.

In order to meet with challenges of globalisation for management, the Group coordination division is to perform the functional services of a corporate Affairs Department in a large business conglomerate. It is to coordinate the activities of all the departments in NNDC and report continuously on the performance of the company. It will measure the efficiency and effectiveness of the operations of the company so that the mission and vision of the company is achieved in the 21st century.

The Public Affairs division is to among others perform the following responsibilities.

(a) To promote the overall corporate image of the company as a responsible corporate citizen.

(b) To prepare and present all corporate communication regarding the company.

(c) To prepare, supervise and produce NNDC publications including In-house NNDC newsletter, News Bulletin, Brochures, profiles and others.

(d) Handling of all medial business inquiries

(e) Public relation counsel and advice

(f) To provide basis for the coordination of the activities of the subsidiary so as to enhance synergy between NNDC and its subsidiary companies.

(g) To promote Group business culture and ethics.

4.5.2 (A) **Chart of Response**

| S/No. | Division/Person | Number of Questionnaire | Percentage of Response | Assessment of Response |
|---|---|---|---|---|
| 1. | Assistant General Manager | 7 | 100% | See below |

4.5.2 (B) **GENERAL REVIEW AND ASSESSMENT AS RESULT OF DATA ANALYSIS**

- **NNDC corporate relation policies Strategies**

The corporate Relations policies are contingent upon the corporate objectives of NNDC. That is to operate a diversified holding company that will make impact in the development of industrial prices in the shareholder states as well as to manage equity investment in selected Profitable businesses.

Therefore the policies of the corporate Relations are essentially to support and promote these corporate objectives in whatever way possible.

These corporate policies and strategies have promoted NNDC group among its competitors in last decade. Hence the company was able to diversify its investments in Profitable business such as the Hotel industry (acquisition of hospitality industrial outfits), establishment of NNIL commercial outfit and new

Capital Development outfit to manage the group Real Properties.

But there is the need for the corporate image to be boosted to woo foreign investors and players of the Nigerian Capital market. This will increase the investible funds of the company to meet the challenges ahead.

* **Achievement of NNDC through its Public Affairs divisions**

During the last decade of the 20th century, the following achievements have been recorded by the company; thus:-

(i) increasing and creating better understanding and awareness of the operations of the NNDC group through information and knowledge creation.

(ii) Reducing misinformation on the actual mandate of mission of the company.

(iii) Raising the overall corporate profile of the company through organized and articulate public relations programmes and tools. That is NNDC Group Newsletter, participation in trade fairs and exhibition etc.

(iv) Creating positive climate for NNDC businesses.

(v) Promoting good relationship between shareholders and the company management.

(vi) Generating Positive image and goodwill among relevant Publics of NNDC and governments.

All said and done the image of the company can still be boosted globally

through:

(a) Projection of the activities of NNDC group in recognised international media so that the company can be known and confidence can be built among the International Business community.

(b) High profile corporate communication strategies aimed at sustaining the reputation of NNDC already built since the last 50 years of existence.

(c) Using modern communication media e.g computers and internet's websites.

* **Challenges facing the department vis-a-vis the company in achieving its corporate vision**

(i) Lack of professional qualified personnel in the art and science of Public relations

(ii) Slow process of decision making and lack of reasonable autonomy to handle matters within scope without reference to management

(iii) Funding of Public Relations Programmes.

(iv) Reactive Perception of Public Relations duties. PR department needs to be informed at each stage of decision making so as to effectively explain management position on some vital issues concerning the company

(v) Lack of full disclosure on the importance of decisions or their rationale

(vi) Adjustment to modern management and business perspective

(vii) Adaptation to the new operating business environment

(viii) Management instability and management of change

(ix) Lack of investible funds

Considering the challenges mentioned above and if they continue, NNDC may still survive the 21st century in view of other variables sustaining the company. However, it should be understood that businesses are set for a purpose and in order to achieve certain objectives. When there is doubt by the critical Public or shareholders or when the objective cannot be achieved due to certain limitations, the entire survival of the business is in question.

For NNDC, to survive the 21st century, it has to confront these challenges otherwise, the chances of survival would be slim in view of the fast changing business environment.

- Group Coordinating Division

The purpose for establishing this division is to coordinate the various departmental activities in the company with the view of measuring their effectiveness and efficiency. If one considers the activities of the Business development department and the investment supervision department, the Group coordinating division is expected to be a pivot to checkmate the activities of these two departments. On the other hand if one considers critically the role this division is expected to play, there may be overlapping of functions between this division and the investment supervision department, because the investment supervision department is to monitor and control the total investment of the company and to measure their

viability.

Now, the question that is pending as regards the Group coordinating division is that "Is it to serve as a **WATCH DOG** or a **BLOODHOUND**?". If it is to serve as a watch dog what then is the function of the Internal Audit division of the company?

I foresee duplication of functions within the company if this division is to continue to exist in NNDC. We wait to see the impact or effect of this division in the 21st century on the operations of NNDC.

# CHAPTER 5

## SUMMARY, CONCLUSION AND RECOMMENDATIONS

### 5.1 SUMMARY

#### 5.1.1 INTRODUCTION- Globalisation perspective

Globalisation is a world-wide movement from local to universal socio-economic system aimed at the unification of the world markets. As a result of this unification, the whole world is reduced to a global "village market" which offers humanity the opportunity to utilise the resultant technological advancement and socio-economic resources for their common good. In this regard, advanced technology facilities such as the internet, computers, fax, cyberspace etc are devised in a bid to drastically reduce space and operational time-lag through information technology for world-wide business interaction.

Unfortunately, however, the diversified societies of the world have differing technological growth capacities. This situation has resulted in the more technologically advanced countries having comparative advantage over the less developed nations of the world.

Therefore, Globalisation becomes a process of continuous interchange of skills, resources and products within the universal market economy. As a result of this development, the world has been made accessible to all business organisation and interest persons who are technologically capable of making use of the vast potentials offered by globalisation.

The features of globalisation as challenges for management stems from a free market which serves as an impetus to Global business in the 20th century and years after. The 20th century has seen rapid development in global businesses largely influenced by some factors including:

- polarisation of the world into warring groups during the two world wars resulting in intensive corporation for success in the war among allied nations on both sides.
- Formation of Political blocks caused by changes in the pattern of trade and increase in exports between the developed countries of USSR, Austria, Finland, USA and less developed countries like Nigeria, India etc.
- The economic depression in the Western world in the 1930's similarly led to a need for mutual readjustment among western nations to promote economic revival. This process was accelerated by post war needs for economic stability and growth.
- The revolution in communication technology, advancements in industrial mass production techniques and more recently in electronics, resulted in a very rapid expansion of global business.
- The polarisation of developed countries into developed capitalist and communist countries also resulted in a growing global exchange of goods and services among these groups, as well as between them and developing countries.

- Liberation of colonies in Asia, Africa and Latin America and their subsequent quest to raise standards of living resulted in an impetus to global business activity.
- The reconstruction of defeated nation notably Japan and West Germany, give impetus to technological development and economic activity.

Some actions are however, essential to the success of globalisation, most of them are listed above on the macro-economic basis, while micro-economic basis are:

(a) Commitment and concerted actions on the part of decision makers;

(b) Dynamic leadership that creates a challenging environment;

(c) Innovativeness by management

(d) International cooperation between the management of the enterprise and the outside world

(e) Efficient infrastructural facilities like improvement in telecommunication etc.

(f) Adequate staff motivational facilities and skill development.

In order to meet with the global development management will be faced with challenges of seeking global investment and Joint venture leading to the following advantages:-

1) The availability of capital resources for improvement in equity capital through investment and avoidance of scarce foreign exchanges to

facilitate export and import.

2) Transfer of technology to host country enterprise from developed countries like USA, China, Japan etc in areas of Research and development in construction, manufacturing and processing facilities.

3) Vendor development where Joint venture partners appoint dealers and local vendors resulting in a dispersal of technology and business skills development.

4) Import Substitution

Since joint ventures based on sophisticated technology produce goods using some local raw materials, these generally replace imported products. Joint Venture, hence contribute to import substitution, saving on valuable foreign exchange which can then be better utilised, as in the case of Glaxo's manufacturing pharmaceuticals locally in Africa, for example.

5) Export earnings.

Many joint ventures are partly or wholly export-oriented, especially in the developing countries, since the developed country export its technology and creates new products which are exported to other countries, in some cases even exported to the parent country as this may be cost beneficial due to lower comparative costs. This again earns valuable foreign exchange for the host country.

6) Employment opportunities are made available through generation of jobs

thus reducing the unemployment level due to lack of industries.

7) Transfer of skill from more experienced partners can also be acquired.

8) Utilisation of local resources not tapped in developing countries, Joint venture partners can tap under-utilised or unutilised resources (say mineral wealth etc).

9) Due to liberal government policy, the threshold level of economic development, level of human and resources development may lead to sharing of wealth thereby increasing the asset base of the enterprise.

5.1.2 **Other challenges of globalisation** that could confront managements are:-

1) **Global Competitiveness**

It has been continuously demonstrated that the key to competitiveness lies in the implementation process, transformation of ideas and technologies in product and services and it is very crucial. Implementation is vital as "doing things right is no less important than doing the right thing".

Thus, without discounting the importance to say, technology or market forces, the fact remains that countries and enterprise that implement well, that are therefore process driven, are countries that maintain a competitive advantage.

**Corporate competitiveness** is a function of some factors such as Profits attainment; research and development investment; entrepreneurship level to take risk to venture in to new markets, new opportunities, new products and new

ideas; management development through level of delegation, the level of information technology, long and medium-range planning, and orientation: business philosophy through employee relations, the morale and managerial constraints, or flexibility; customer orientation; Global research of the company; strong Income base; Efficient and flexible organisation; Innovativeness and Productive orientation through anticipating customers' needs and find the ways of meeting these needs.

2) Global Marketing

Marketing is a key business function which entails the identification of people's need and wants, and with the assistance of other departments of a company, entails the fulfillment of these needs to the benefit of both the person receiving the product or service and the organisation producing it.

The challenges that will confront the management in marketing is the way to enter the foreign market. This can be done through export (passive or active) approach, indirect export, licensing, Joint venture and direct foreign investment. Another major problem is developing an efficient and effective marketing mix (Product, promotion, price and placement) strategies.

3) Global Alliance

Paramountly, an important challenge to management is taking advantages of corporate alliance such as:

- Economies of scale of manufacturing,

- Strengthening marketing/market access
- Optimising purchase/sourcing/joint subcontracting
- Shared cost of research and development
- Optimising use of production facilities, with each alliance/partner working in its area of specialisation.

Some of the points to keep in mind before entering into an alliance are:

- Good chemistry amongst alliance partnerships
- Willingness to share control
- Trust and openness
- Compatible philosophy and management styles
- Willingness to compromise
- Thorough planning to make it work
- Patience.

The Chinese style of alliance can be adopted which include:-

- Shared objective
- The optimal equity split
- The role of the board
- Who has the management control
- Resolving differences
- Equal compensation
- Developing Chinese management.

4) **Global Man-management and cultures**

One of the greatest challenges facing global firm is the need to develop human resources capable of handling global operations. This is a major challenge as global firms operate in multiple cultural environments whereas individuals tend to be brought up in single environments.

Man-management is expected to include:

* Seek example of management style adopted in developed countries such as Japan, China and USA.
* Adopt the necessary skill in managing conflicts such as avoidance of conflicts, compromise etc.
* Train and develop managers through on-the-job training programmes, Business schools, in-house training etc to enable them to acquire professional skills, quick to adapt new technologies, to be broad minded, to be innovative, to be patient, to be adaptable and flexible in outlook and to be proactive rather than reactive, thus pre-emptying competition.
* Effective communication of decisions
* Effective delegation of responsibilities, functions and duties.
* Reward staff with good motivational incentives and packages.
* Adopt principles of Management By Objective (MBO) and Management Of Exception (MBE)
* Adopt the principles of Time Management and Total Quality Management

(TQM)

* Recognising the staff needs and satisfying same.

* Make sure the organisation culture is consistently applied

* Change is necessary and should be managed properly.

5. **Global Finance**

Another challenge of globalisation for management will be that of

1) Sources of capital

2) Financial Management and Information Systems

3) Balance of Payment

4) Foreign Exchange rate

5) Tax laws on incomes

Management is expected to critically review all of the above factors to enable it stay in business. It should take advantage of any benefits that may be accruing from any of the above factors. And management should avoid areas where risk in the above factors will affect the organisation.

6. **Global Organisational Structures, Planning and Reporting**

Organisational structure are based on whatever way the organisations develop, depending upon the business itself and also other factors such as location, product, services, markets, source of raw material and technology employed. Organisational structure cannot remain static and is also dependent on variables that include present and future importance of domestic and foreign markets, the

background of the organisation, the nature of the firm's business and product strategy, the management traits and philosophy of the organisations and the capacity to adjust to major organisational and environmental changes. The structures, however, may differ from country to country because of varying activities and environmental requirements.

We have different types of organisation structures and management is faced with challenges of adopting the right one to suit her operations. These are Product group structure, Geographic structure, functional structure and matrix structure.

Briefly:-

(a) **Product Group Structure** - Here overall goals and strategies are controlled from the central offices and area specialists have different geographic bases for different product groups.

(b) **Geographic structure**

This type of organisational structure divides global operations into geographic regions. Staff functions and product development functions are centralised but each area division has responsibility for various functions and coordinating marketing, production, and finance with each specific geographic zone.

(c) **Functional structure**

Division of responsibility at the headquarters is along functional lines, such as production, marketing and finance.

(d) **Matrix structure**

This type of structure allows for the principle that organisational structure should match the decision making process. Thus regional divisions and product divisions exercise authority jointly.

**Scenario Planning** could be another challenge to management because it is a management tool that assists in developing a long view of the future in a world of great uncertainty.

Scenarios are stories of how the world may unfold tomorrow, they are not predictions, and unlike forecasting on market research, they are not merely extrapolations of the future based on present trends.

The basic steps in Scenario planning are:-

* Identifying the issue or decision in focus
* Identifying the key forces in the environment and ranking them by importance and uncertainty.
* Working out the framework for the scenario and thus fleshing it out
* Examining the implications in the scenario
* Selecting leading indicators and signposts

The end result of using scenarios as a planning tool is not an accurate picture of tomorrow, but for better decisions for the future and the ability to plan for the alternatives and prepare for contingencies.

**Reporting systems** - An efficient reporting system enables the organisation to effectively decentralise its operations, allowing as it does its timely and appropriate evaluation of performance, and formulation of fresh strategies as and when required. It also ensures the optimum use of global resources.

7. **Globalisation and New management ideas**

The globalisation of business has resulted in new trends of thoughts on various aspects of business management. There are increasing signs that some of the intuitions and insight developed earlier are at odds with current global realities, requiring a re-examination of the many traditional management assumptions. Some areas of thought, and indeed practice, have become redundant or obsolete, while others have acquired refinement in their approach. In yet others, a complete new body of thoughts has had to be developed given the effects of globalisation and their impact on business and in turn management.

The challenges facing management here is her ability to apply the new trends in managements' strategies to her operation.

Some of these are:-

(a) Business Process Re-engineering

(b) Looking back ..... thinking ahead

(c) Total Quality Management

(d) ISO 9000 Quality Management System

(e) ISO 14000 Quality Management System

(f) SWOT Analysis

(g) Visioning

(h) Benchmarkng

(i) Empowerment

Most of the strategies have been discussed in the chapter two (2) of this study "Review of related literature" and their application to the global business. NNDC should be seen to apply them to its operations.

8. Corporate Governance

Corporate governance involves the balance of power with which the organisation is directed, managed, supervised and held accountable. The major problem of corporate governance will be the adoption of different styles of governance and structure of the board to meet the functions of governance. Different styles being used are owner-directors, management directors, supervisory/independent directors and joint Directors, the last being a combination of the first three in various proportions. The belief system and cultural norms of any society will influence the direction, practice and quality of corporate governance.

The prerequisites of good governance in the 21st century are challenges to many organisation. These include knowledge of Board members, up-to-date information, strong and knowledgeable management. Power to make key decision on behalf of shareholders, Independence and Transparency in

accountability, Motivational inventiveness and Time management.

9. Social Responsibilities

Social Responsibilities of any enterprise to the community where it belong to is very essential for the survival of the entity. Most organisations face the challenges of satisfying their immediate political, social, technological and economic environment. The 21st century will also bring such challenges to management except their immediate environments are satisfied with the organisation.

After all, NNDC was established with the motive of developing the Northern States of Nigeria.

5.1.3 The Global imperatives of the management of NNDC

When the company was established 50 years ago, it was established with aims of developing the Northern Nigeria. In the bid to achieve this mission, it set into motion its vision, objectives goals and subgoals.

In order to meet with the global challenges of the 20th century, the company operates as follows:-

(1) Structure of Management and Governance

The type of structure of the company reflects the combinations of functional and matrix type structures with the consultative committee of State governments, Board of Directors and Executive Management with Group Managing Director as the head in command in policy making and execution.

Series of changes have been effected in the structure of management that reflects the

global views in management which in turn affects the corporate governance of the company both favourable and adversely.

Several committees such as finance and General Purpose, Investment, establishment, management are all set up to make decisions to pilot the company. The company is departmentalised into four recently consisting of Investment supervision. Business development, Management services, and corporate relations to carry out the functions and responsibilities of the company. The company operates an organisational culture depicting its roles as Development Finance Institution (DFI), consultancy services. commercial services, Real Estate management services, Hotel development and management services, etc.

As related to (the management of change and conflicts); management of the company,

has adopted methods to prevent staff problems that may affect the survival of the company. These are through effective communications and compromise.

The balance of power in the company is well directed, managed, supervised and accounted for as panacea for good governance.

No succession plan can be seen to be in existence in its leadership style but the leader (GMD) is appointed on merit. Although sentiments on the appointment of GMD are being exercised by the owner states.

One can assess generally that the governance of the company could have been better if the antecedents of family bloodhound are eradicated in the company and a more

aggressive board of directors with foreign investors are put in place.

There is the need to streamline the specialist skills of the company to prevent duplications and overlapping of functions and responsibilities within the policy executors of the company.

(2) **Management Services**

This department is in place to execute functions and responsibilities of Personnel Administration and financial management of the company. These are supporting services for the management of the company executing the human resources policies, financial management policies and stewardship reporting. This department could have done better if the data accumulations of the finances are fully computerised and financial instruction fully codified. Still the better side of the company is the growth showed in the capital and asset base over the years. This is a good sign that the company is surviving and performing well.

(3) ***Business Development***

The imperative of globalisation for any management is for the same to partake in the global market. With this in mind the company operates on the basis of New Business development, Planning and corporate development and effective management information system.

The mission and vision of the company is being accomplished through its business diversification into various field of investments both in quoted and unquoted company with market share valued over ₦1 billion.

The business focus strategies of the company is the expansion of its revenue base into ventures such as solid mineral development and the oil sector by the year 2005, Business restructuring and re-engineering of all its commercial outfits to be more profit driven, development of ailing projects, Partnership or Joint Venture with multi-national companies, and development of finance Institutions such as World Bank, International Development association, African Development Bank etc. The business Promotion of the company may be affected if the Board of Director refuse to accept global business venture, where autonomy are not given to line managers, no coordinating unit for consultancy services, where emphasis is based on the owner state, when there is frequent change in the leadership of the company leading to the change in business focus and where International business ethics is still lacking in the company.

4. Investment Supervision

NNDC investment portfolio management is planned, controlled and coordinated by a department vested with these functions. Over the years it has adopted various investment strategies of investing in profitable ventures to avoid business risk. In order to monitor and increase its level of investment portfolio, NNDC increased its Nominee directors in its subsidiary companies, influence the appointment of chief executive of its subsidiary companies. The Group Managing Director is the chairman of the board of Directors of these subsidiary

companies, participation in the capital market, continuous review and assessment of its investment for possible increase and divestment, participate in investment where foreign exchange can be generated, investing in projects where local raw materials can be adequate and import-substituted.

5. **Corporate Relations**

The Public relations between the company and outsiders are coordinated through the public relations section of the company. In order to effectively and efficiently maintain and monitor its public relation, it recently added to the corporate relations department a Group coordinating unit.

The corporate image of the company need to be boosted internationally to woo foreign investors and players in the Nigerian Capital market. This will increase the investable funds of the Company to meet the challenges of globalisation.

The Public relations section has boosted the company's image through Group's newsletter, participation in trade fairs exhibitions and calculation thereby creating positive climate for NNDC business.

Despite the benefits the company has achieved with the increase in its public image, the company still lacks professional qualified personnel in the art and science of Public relations, inadequate funding of public relations Programme, leadership instability and changes.

## 5 2 CONCLUSION

### 5 2.1 Comparative Analysis

Many theories have been propounded on the issues of globalisation for management and emphasis were placed on the challenges that will confront management of enterprise in the future.

Adedeji (1998) a Lagos-based management analyst discussed global management and the Nigerian manager saying "managers need to focus more on quality and to be sensitive to the feelings, tastes and preference of their trade partners, clients and customers who will be diverse in the global nature of business".

Obaseki (1999) claimed that "Globalisation has both positive and negative effects, the positive effects or benefits are numerous but the most important include, increased specialisation and efficiency, better quality products at reduced price, process, economies of scales in production, competitiveness and increased output, technological improvement and increase in managerial capabilities.

In order to effectively participate in the globalising world economy and avoid marginalisation, management of enterprise are advised to deploy enough resources to develop their human capital. New technologies can only be developed through adequate manpower. In this direction, adequate consideration should be given to technical and technological education, and

research and development expenditure by the enterprise in order to create the environment for future growth.

Kwanashie (1999) elaborated further on globalisation. "Globalisation is an integral part of human history, in its most generic and broadest sense, it is part of the movement of history. All through the history of man we have noticed forces which seems to push for greater integration of human activities.

Emphasis today is, however, more focused on the economic aspect of the process. Globalisation is a process of integrating economic decision making such as consumption, investment and saving process across the world.

It is a process of creating global market place in which free market, investment flow trade and information are integrated".

If we consider the above statements we shall be forced to beleive that management of enterprise need to be articulate in planning for the future to take advantages of globalisation. Hence the challenges that will confront management in the 21st century. Therefore these challenges are numerous and enormous for the management of our enterprise to survive the 21st century.

NNDC has been surviving due to the historical background and motives of establishing the same.

We have seen that many organisations have established structure of management that can benefit their existence but some have failed due to the instability of such structure to withstand the challenges of globalisation

especially when they cannot withstand global competition. Some enterprises take NNDC for example, have gone through many changes in the bid to survive challenges.

Good policies and strategies have been formulated but their implementation has been the major set back thereby leading to the collapse of the enterprises. Therefore areas that will require management attention to meet the challenges of the 21st century should include amongst other things

(1) Effective management structure

(2) Commitment and concerted action on the part of decision makers.

(3) Dynamic leadership that creates a challenging environment.

(4) Elaborate and effective Business focus that will be profitable driven

(5) Good corporate governance

(6) Efficient infrastructural facilities.

(7) Human Resources Development

(8) Seeking global investment and joint venture to withstand competitiveness, increase in output, technological improvement, low cost of production etc.

(9) Consider sensitive feelings, tastes and preferences of trade partners, clients and customers.

(10) Management of conflicts and changes

(11) Innovativeness by management

(12) Government liberalisation of policies on investment.

(13) Comparative management style of Japan, USA, China and other developed countries and their adaptability to the Nigerian environment.

5.2.2 **The NNDC situation**

The New Nigerian Development Company Limited is a large business conglomerate with emphasis on development financing and other services. The management of the company is aware of the global challenges and changes affecting the business climate. Although it has grown and survive over the years due to its ownership base and its large investment portfolio but it could still do better if it adapts to the global environments with emphasis on:-

(i) Adapting International Business ethics

(ii) Increasing its Business Commercial outfits.

(iii) Diversifying its ownership structure to bring in foreign investors

(iv) Achieving its planned business focus of the vision 2005

(v) Encourage Global alliances

(vi) Improvement on its infirmation technology and management.

(vii) Development of its corporate image

(viii) Discourage too much intervention from its ownership states for good corporate governance.

(ix) Streamlining functions and responsibilities of specialist skill to avoid overlapping.

(x) Enterprise management and manpower development.

(xi) Increase its capital base to meet its vision in the 21st century.

## 5.3 RECOMMENDATIONS

### 5.3.1 Preamble

Globalisation is the on-going and growing processes within the micro-economic and macroeconomic sphere of a nation. In this regards, how do we meet the challenges of globalisation for any management of these economies? The world over is full of challenges as far back as its creation to the present time. Any attempt to avoid the challenges of globalisation may lead to a doom. With this concept in mind, Bijlani (1994) proffer strategies for globalisation. He made mention of four basic factors that determine the crucial organisation forces that affects a firm's ability to formulate and implement global strategy. These are:-

- Organisation structure: Comprising the reporting relationships in the business.
- Management process, which cover activities such as planning or budgeting.
- People including all employees, the human resources of the business.
- Culture, comprising the values and the implicit rules that shape behavior in a corporation.

One early example of a firm going global is crown cork and seal in Philadelphia which reorganised its operations over three decades ago, taking the strategic decision to locate manufacturing facilities close to its customers. This enabled the company to sustain growth over time, despite being in an area of business

that employed relatively low technology.

Moreover the driving force of domestic firms to globalise may be summed up as follows:-

* legislature that exist in home countries and host countries such as tariff barriers
* the need to stay ahead of competition
* advantages of low cost labour
* saving costs generally
* less stringent pollution laws in other countries
* speed and efficiency of delivery system that make it necessary to place manufacturing or service facilities closer to the sources of raw material or closer to markets.

Basically, a company that wants to globalise needs to do the following:-

* Consolidate its comparative advantage in the home country.
* Develop a core strategy - the basis of competitive advantage - in the home base first.
* Develop a global competitive strategy which provides for more options because of uniformity. This, however, may be a disadvantage as local competitiveness sometimes suffers.
* Globalise the core strategy through an expansion of activities abroad and through adaption.

* Integrate this global strategy across countries.

From the above factors as attributes to the challenges of globalisation for management in the 21st century, one is forced to say that despite the success factors of an organisation like NNDC (New Nigerian Development Company Ltd), there are improvements needed as a way forward for the survival of this organisation in particular and to Nigeria in general.

At this juncture, we shall borrow a leaf from some renown writers to make our recommendations.

1. <u>Organisational review from a Global perspective</u>

Bijlani (1994: 83 - 99) proffer the following steps for management to tackle the challenges at Globalisation for the 21st century and the writer agreed with him.

(a) History of the company should be analysed on what has been since inception, whether it started as a trading company, development company etc with a single product, what happens since then and how it has grown.

(b) The financial growth of the company should be determined relating to its turnover, profitability and adjust where necessary.

(c) Product mix of the company should be examined over the last 10 years and emphasis should be placed on highest volume and the largest contribution.

(d) The process of technology since the last 10 years involving Research and

development and so forth.

(e) Human Research development should be reviewed and make necessary adjustments where possible.

(f) **Competition**

A description could be shown of the evolution of the company's competition in terms of what competition existed when the company started and what exists today, and how the competition has fared in terms of market share vis-a-vis the company.

(g) **SWOT Analysis** of the company should be conducted, areas of strength and opportunities maintained and areas of weaknesses and threat accorded attention for adjustment.

(h) **Environment Scan** should be conducted and levels of economic development ascertained and improved upon.

(i) **Subjectivity in Decision Making**

Management should consider its decision making to determine where it has made corrective and incorrect subjective decision in investments and make amendments.

(j) **Regional/National Survey**

Before embarking on a global project, organisation should identify global regions or group of countries that are target prospects for globalisation

opportunities. Looking at markets globally, it is essential to prioritise and identify opportunities access regions.

(k) Competitive Analysis and Risk Assessment should be made to avoid unnecessary business risk.

(l) Selection of Regional Headquarters should be examined to determine the best location of business to avoid location and accommodation problems.

(m) Governments Attitude towards investment promotion should be reviewed and they should use the best incentives provided by the government.

(n) Demand assessment should be made to determine the players in the industry and their respective market share to understand whether there are monopolistic or oligopolistic situations. And find a way to fit appropriately in the market.

(o) Review the availability of the related and supporting industries and auxiliaries and their sophistication and make adjustments where necessary. Analyse how discerning buyers are, considers the trend of the consumer sector in order to plan for the appropriate levels of the product in terms of sophistication of product characteristics.

(p) Investigate the possible threat of new competitors, their arrival limits, their overall profit potential in the industry, as new competitors bring new capacity which sometimes means new product feature, thus putting pressures on margins and market share.

2. **Cost effectiveness and Economies of scale.**

The advent of greater automation has rendered the cost of labour and other cost, a less important element of the total cost of production as servicing and manufacturing has become more of a fixed cost activity.

In the variable cost business, the main objective for the manager is to increase profit by controlling the cost of materials and wages whereas in a business where fixed cost are more relevant, the emphasis should shift to turnover. This necessitates a look at larger global market.

With global integration it is possible to eliminate unnecessary processes, take advantage of low cost centres by using advanced information network systems.

3. **Motivation**

Attitude to work is an important characteristic. Max Weber, the German sociologist has emphasised that Protestant countries have made greater economics progress because their work ethic is high. The behavior at work is determined by the ability of the organisation to be able to satisfy the Maslow's hierarchy of needs. So, employees' needs should be met on time.

4. Trust, Beliefs, family culture and moral Etiquette should be considered. Each of these variables affect the growth of the enterprise, therefore they

should be sustained, maintained and adhered to where possible.

5. Qualities of good governance should be applied to the enterprise with emphasis on accountability, supervision, direction and executive action. Most especially good leadership style.

6. New trends in Management Strategies should be applied to the organisation. **Iornem** (1998 : 120 - 148) discussed some management strategies and techniques that have gained prominence of recent and he focused on the principles of the following necessary to meet the challenges expected of managers. Thus:-

a. Business Process Re-engineering

b. Total Quality Management

c. ISO 9000/14000 Quality Management Systems

d. Visioning

e. Benchmarking

f. Empowerment

g. Problem solving models - (Kepner Tregoe, Synectics, Brainstorming, and Morphological analysis).

References should be made to the Chapter 2 of this write up on the application of these techniques.

7. <u>Managing change and conflict</u>

Wechrich and Koontz (1993: 430 - 433) suggest ways of managing change as

interventionist principles of unfreezing (create motivation for change), assimilation of new information, exposure of new concepts or development of a different perspective, and refreezing (stabilizes the change). And that organisation conflicts should be resolved through Avoidance, smoothing, forcing and compromise. Whether we like it or not change is necessary and conflict is bound to ensue, both should be resolved by the techniques mentioned above.

8. Corporate social integrity and responsibility

Milton Friedman and Paul Samuelson in their 'stockholder model' argued in favour of management, meeting its social responsibilities to their immediate environment as a challenge to its survival. Among the arguments put forward are:-

- Long run profits for businesses
- Better public image for businesses
- Businesses may avoid more regulation
- Businesses have the resources
- Businesses have the ethical obligation
- Better environment for everyone
- The public want it.

9. Strategic and operational Planning

Tom Lambert - (1996 : 34 - 36) emphasised that business should be

strategic and tactically planned to meet with the challenges of the 21st Century. He also give a panacea for successful corporate Planning as indicated in the chapter 2 of this write up. And that any organisation that does not plan for the future is bound to fail.

10. <u>Information Technology and Management</u>

With the present global imperatives and Scenerios, management should be more articulated in management information systems. Information technology in line with present global dispensation should be adapted which are cost effective to meet management information systems alliance. Information are needed by management that are accurate, and timely to make quick decisions. One expects all the facets of any business enterprise to be automated through the use of computer, electronics and communication equipments.

11. Finally, the Nigerian Institute of management at its 36th Annual National Management Conference held at Aba (Nigeria) on the 23rd and 24th of September 1998 recommends the following as panacea to meet the challenges of globalisation for managers in the 21st century.

Thus:

(i) The awareness of globalisation should be created among all sectors of the Nigerian economy.

(ii) In order for Nigeria to fit into the global marketplace, there is need for

government, professional associations and the organized private sector to put in place policies that promote high ethical standards, honesty, integrity, probity, accountability and transparency.

(iii) Since demonstration is a pre-requisite to partnership in globalisation, it is imperative for Government to put in place enduring institutional framework for democracy.

(iv) There must be a liberalisation of the Nigerian economy to promote efficiency and effectiveness of public utilities and infrastructural facilities (e.g. telecomunications) required for global competitiveness.

(v) There is need for cooperation between the public and private sectors and between individual organisations such that human and financial resources can be harnessed for viability and global competitiveness.

(iv) Management should be less authoritarian so as to involve workers in the decision-making process. This will enable employers utilize their various potentials including creativity and innovativeness.

Effective organisational communication should be put in place.

(viii) Creativity and innovativeness should be appropriately recognised and rewarded.

(ix) Employers should encourage the acquisition of management education as well as intensifying efforts at training and developing their managers on a continuous basis.

(x) Government should remove all the identified barriers inhibiting local sourcing of raw materials and exportation of products while exporters should comply with international quality standards.

(xi) Government and individual organisations should continue to encourage specialised small scale enterprises which have capacity for growth and added value.

(xii) It is commended that NIM Code of conduct has promoted ethical standards among Nigerian managers and that NIM is already co-operating with Transparency in Nigeria (TIN) and integrity to sponsor enlightenment campaigns on transparency and accountability.

(xiii) Greater education and awareness should be created on the benefits derivable from export marketing.

(xiv) Each individual manager should have the moral courage to resist unethical behaviours and temptations.

(xv) The issue of commodity board should be revisited because the gains aided the development of the regions in the past.

(xvi) There is need to incorporate citizenship and leadership training into our education curricula at all levels.

(xvii) There is a need by the private sector to set up an export inspection agency.

(xviii) While endorsing the establishment of an NIM Code of Conduct, the

conference recommended the articulation of some specific areas that will constitute minimum standards of ethics in public and private sector organisations. Violation of such standards should attract some sanctions.

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## APPENDICES

A - NNDC organogram - 1990

B - NNDC Organogram - 1996

C - NNDC organogram - 1998

D - SCHEDULE of NNDC Investments in quoted and non-quoted companies

E - NNDC'S Investment criteria

F - Questionnaires on the Nature and Structure of Management.

G - Questionnaires on the Business Development activities

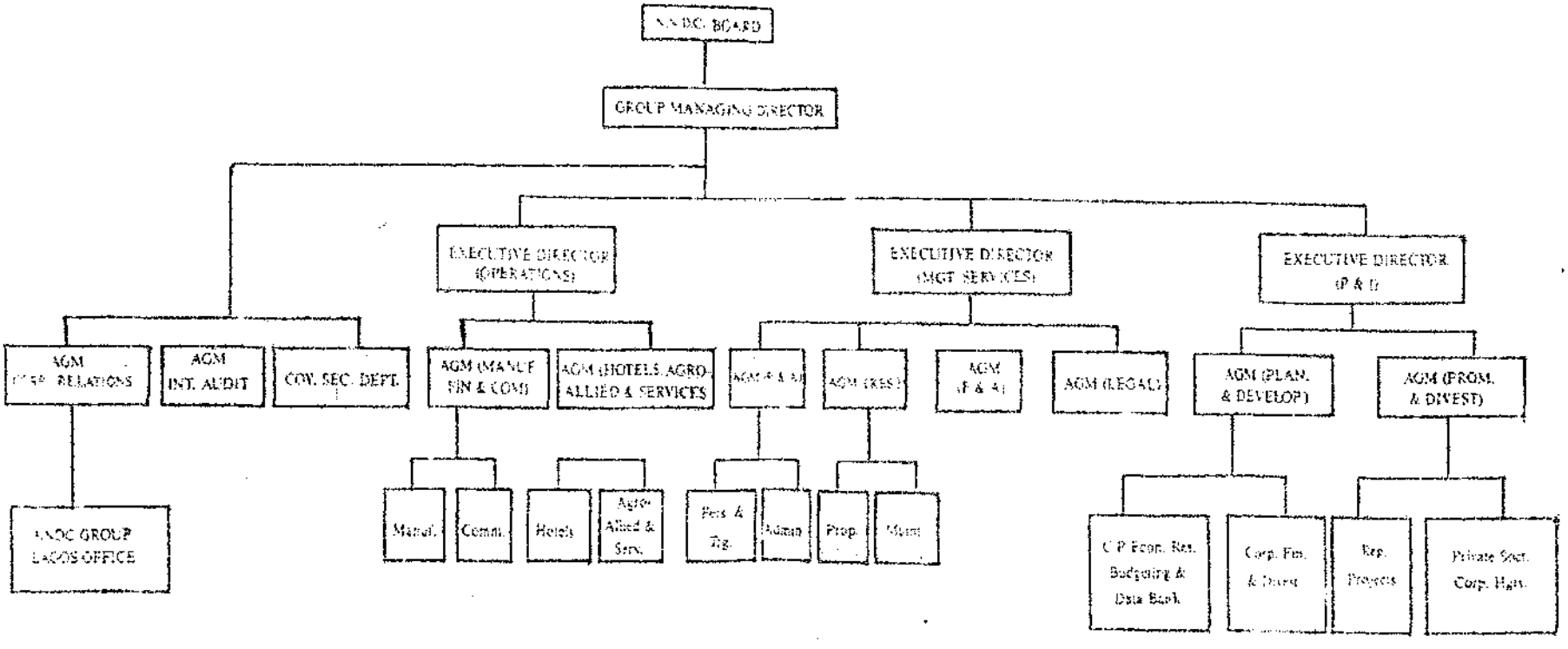
H - Questionnaires on the Investment supervision activities

I - Questionnaires on the Management services activities

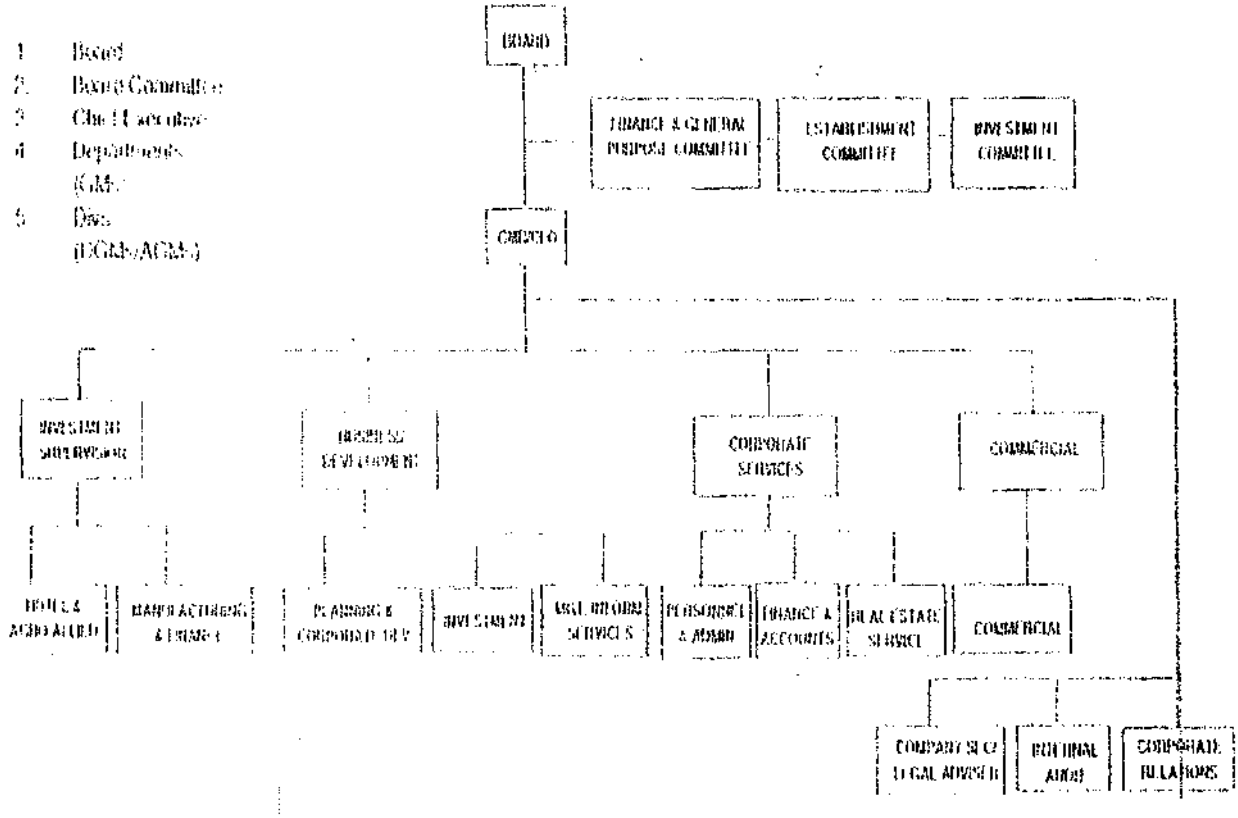
J - Questionnaires on the Corporate relation activities

# APPENDIX A

## NNDC ORGANOGRAM

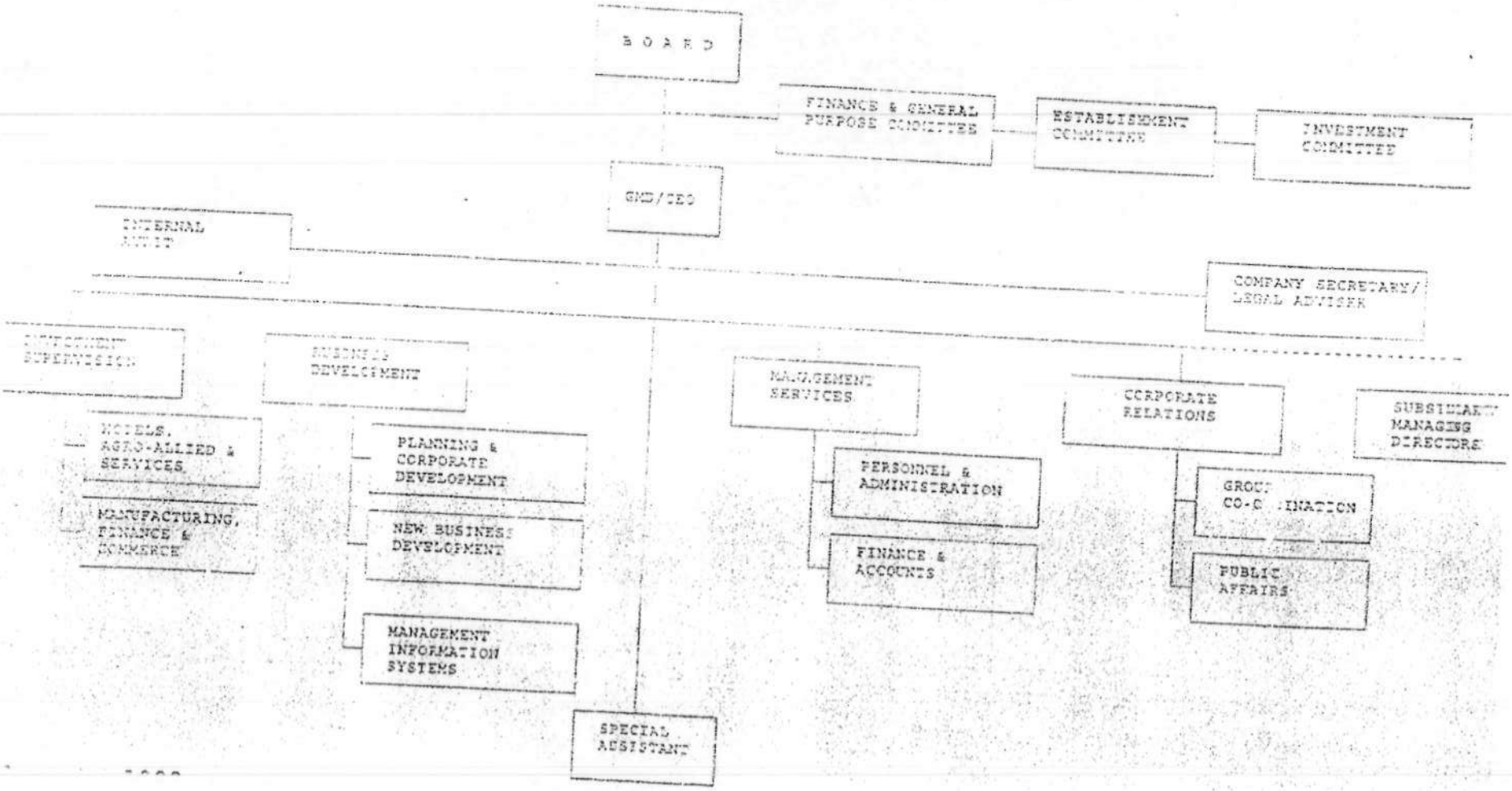


# APPENDIX B


1 Board
2. Board Committees
3 Chief Executive
4 Departments
(GM's)
5 Divs
(DGMs/AGMs)
BOARD
FINANCE & GENERAL PURPOSE COMMITTEE
ESTABLISHMENT COMMITTEE
INVESTMENT COMMITTEE
CHIEF EXECUTIVE
INVESTMENT SUPERVISION
BUSINESS DEVELOPMENT
CORPORATE SERVICES
COMMERCIAL
INTERNAL AUDIT & RISK
BANK RECONCILIATION & FINANCE
PLANNING & CORPORATE DEV
INVESTMENTS
MANAGEMENT SERVICES
HUMAN RESOURCE & ADMIN
FINANCE & ACCOUNTS
REAL ESTATE SERVICE
COMMERCIAL
COMPANY SEC & LEGAL ADVISER
EXTERNAL AUDIT
CORPORATE RELATIONS

# APPENDIX C

## NEW NIGERIA DEVELOPMENT COMPANY LIMITED
## ORGANOGRAM



## APPENDIX D

## SCHEDULE OF NNDC INVESTMENTS IN QUOTED AND NON-QUOTED COMPANIES

### QUOTED INVESTMENTS

| | NAME OF COMPANY | % HOLDING |
|---|---|---|
| **CONGLOMERATE** | | |
| 1. | CFOE Plc | .00278 |
| 2. | John Holt Plc. | 1.13 |
| 3. | Lever Brothers | 0.98 |
| 4. | P. Z. Ind. Plc. | 0.98 |
| 5. | UAC Nig. Plc. | 0.77 |
| 6. | UTC Nig. Plc | 0.53 |
| **FOOD & BEVERAGES** | | |
| 7. | Nestle Foods | 2.17 |
| 8. | Nig. Bottling Co. | 0.75 |
| **INDUSTRY/DOMESTIC PRODUCT** | | |
| 9. | Vitafoam Nig. | 1.50 |
| **INSURANCE** | | |
| 10. | ADCO Plc. | 1.44 |
| 11. | Law Union | 1.95 |
| 12. | Niger Insurance Company | 1.70 |
| 13. | UNIC Plc. | 1.50 |
| 14. | Guinea Insurance Company | 19.00 |
| **TEXTILE** | | |
| 15. | Nichemtex | 0.96 |

## APPENDIX D

## SCHEDULE OF NNDC INVESTMENTS IN QUOTED AND NON-QUOTED COMPANIES

### QUOTED INVESTMENTS

| | NAME OF COMPANY | % HOLDING |
|---|---|---|
| **CONGLOMERATE** | | **PACKAGING** |
| 16. | CMB Packaging | 1.75 |
| **PETROLEUM** | | |
| 17. | AP Nig. Plc. | 1.74 |
| 18. | National Oil | 0.20 |
| 19. | Jnipetrol Plc. | 0.26 |
| **BUILDING MATERIALS** | | |
| 20. | Ashaka Cement | 0.08 |
| 21. | BCC Plc | 1.89 |
| 22. | CCNN Plc | 10.00 |
| 23. | Ceramic Manuf. | 2.33 |
| **CHEMICALS** | | |
| 24. | Sterling Product | 0.021 |
| 25. | CAPL | 2.38 |
| **BANKING SERVICES** | | |
| 26. | Trade Bank Plc | 2.13 |
| 27. | Lion Bank Plc | 4.24 |
| 28. | NAL Merchant Bank | 10.31 |
| 29. | Afribank Plc | 0.25 |

| | | |
|---|---|---|
| 30. | UBN Plc | 1.43 |
| 31. | UBA Plc | 0.56 |
| 32. | Nichemtex | 0.56 |

## NON-QUOTED INVESTMENTS

| | NAME OF COMPANY | % HOLDING |
|---|---|---|
| | **HOTELS** | |
| 1. | Arewa Hotels (Dev.) Ltd., Kaduna | 100.00 |
| 2. | Kaduna Hotels Ltd., (Hamdala) | 100.00 |
| 3. | Nigerian Hotels Ltd., Lagos | 28.30 |
| 4. | Lake Chad Hotel, Maiduguri | 47.00 |
| 5. | Sokoto Hotels Ltd., Sokoto | 67.00 |
| 6. | Bauchi Hotels Ltd., (Zaranda) | 12.50 |
| 7. | Yola international Hotels Ltd. | 16.00 |
| 8. | Shiroro Hotel Ltd., Minna | 20.00 |
| 9. | Kongo Conference Hotel, Zaria | 20.00 |
| 10. | Hill Station Hotel Ltd., Jos | 31.50 |
| 11. | Kano State Hotels | Management |
| 12. | Gusau Hotels Ltd., Gusau | - |
| 13. | Shukura Hotels Ltd., Sokoto | - |
| 14. | Giginya Hotels Ltd., Sokoto | - |
| 15. | Kwara Hotels Ltd Ilorin | - |
| 16. | Festac `77 Hotels, Lagos | - |
| 17. | Grand Fishing Hotels, Argungu | - |
| 18. | NTI Conference Centre, Kaduna | - |
| | **BANKS** | |

| | | |
|---|---|---|
| 19. | New African Merch. Bank Ltd., Kaduna | 50.00 |
| 20. | Bank of the North Ltd., Kano (NNIL) | 4.58 |
| | **INSURANCE** | |
| 21. | Nigerian Life & Pensions Consults, Lagos | 15.26 |
| 22. | Hogg Robinson Nig. Ltd., Lagos | 22.50 |

**NON-QUOTED INVESTMENTS**

| | NAME OF COMPANY | % HOLDING |
|---|---|---|
| | **INSURANCE** | |
| 23. | Kapital Insurance Co. Ltd,. Kano | 22.05 |
| | **SECURITIES** | |
| 24. | Nigerian Stock Exchange, Lagos | 1.40 |
| 25. | Newdevco Finance Services Ltd., Lagos | 49.00 |
| 26. | Northern Nigerian Investment Ltd., Kaduna | 100.00 |
| | **CONSTRUCTION & ALLIED SERVICES** | |
| 27. | Home Development Ltd., Kaduna | 60.00 |
| 28. | Cubitts Nigerian Ltd., Kaduna | 25.00 |
| 29. | New Nigerian Construction Co. Ltd., Kaduna | 41.00 |
| 30. | Drake & Scull Ltd., Lagos | 65.00 |
| 31. | Dorman Long Amalgamated Ltd., Kaduna | 3.58 |
| 32. | Nig. Dynamics Ltd (Edok-Eter Mandilas), Lagos | 7.30 |
| 33. | Crital-Hope Limited Lagos (NNIL) | 12.50 |
| | **BUILDING MATERIALS** | |
| 34. | Borno Clay Products Ltd., Maiduguri | 15.60 |
| 35. | Jakura Marble Industries Ltd., Lokoja | 4.20 |
| 36. | Eslon Nigerian Limited, Kaduna (NNIL) | 30.00 |

| | | |
|---|---|---|
| 37. | Turners Building Products Ltd., Kaduna | 17.00 |
| 38. | Roofco (Nigeria) Ltd., Kaduna | 25.00 |
| 39. | Nigerian Asbestos Industry Ltd., Bauchi | 5.00 |
| | **METAL PRODUCTS** | |
| 40. | Tower Galvanised Products Limited, Kaduna | 15.00 |
| 41. | Northern Cable Processing Co. Ltd. Kaduna (NNIL) | 15.00 |
| 42. | Makeri Smelting Co. Ltd., Jos | 16.70 |
| 43. | Aska Invicta Co. Ltd., Kaduna (NNIL) | 10.00 |
| 44. | Nigerian Aluminium Extrusion Ltd., Lagos | 10.00 |

**NON-QUOTED INVESTMENTS**

| | NAME OF COMPANY | % HOLDING |
|---|---|---|
| | **PACKAGING** | |
| 45. | Benco Packaging Co Ltd., Gboko | 10.00 |
| 46 | Northern Nigeria Fibre products Ltd., Jos | 27.70 |
| 47. | Rigidpak Containers Ltd., Zaria (NNIL) | 20.00 |
| 48. | Ballapur Glass (Nig.) Ltd., Kaduna (NNIL) | 10.00 |
| | **TRANSPORT** | |
| 49. | National Truck Manuf. Co. Ltd., Kano (NNIL) | 1.25 |
| 50. | Yamaha Manufact. (Nig.) Ltd., Kaduna (NNIL) | 10.0 |
| 51. | Nigerian Autopares Ltd., Kaduna (NNIL) | 24.00 |
| | **FURNITURE** | |
| 52. | International Metal Products Ltd., Kano (NNIL) | 20.00 |
| | **PUBLISHING** | |
| 53. | International Corporate Ltd., Kano (NNIL) | 25.00 |
| 54. | Gaskiya Corporate Ltd., Zaria | 20.00 |
| 55. | Northern Nigerian Publishing Co. Ltd., Zaria | 6.00 |

| | | |
|---|---|---|
| | **STATIONERY** | |
| 56. | Thomas Wyan (Nig.) Ltd., Lagos (NNIL) | 2.89 |
| | **TEXTILES** | |
| 57. | Cotton & Agricultural Processors Ltd., Zaria | 20.00 |
| 58. | Arewa Textile Ltd., Kaduna (NNIL) | 23.36 |
| 59. | Terytex (Nig) Ltd., Kaduna (NNIL) | 30.53 |
| 60. | Chelico Industries Ltd., Kaduna (NNIL) | 25.00 |
| 61. | Funtua Textiles Ltd., Funtua (NNIL) | 10.00 |
| 62. | Kaduna Textiles Plc. Kaduna | 11.52 |
| 63. | Nortex Nigeria Ltd., Kaduna | 34.50 |
| 64. | Northern Textiles Manufacturing Ltd., (NNIL) | 24.19 |
| 65. | United Nigerian Textiles Plc. (NNIL) | 7.19 |

**NON-QUOTED INVESTMENTS**

| | NAME OF COMPANY | % HOLDING |
|---|---|---|
| | **TEXTILES** | |
| 66. | Zamfara Textiles Industries (NNIL) | 10.00 |
| 67 | Kainji Textiles Ltd., New-Bussa (NNIL) | 27.70 |
| | **FOOD, DRUGS AND BEVERAGES** | 20.00 |
| 68. | Nigerian Sugar Co. Ltd., Bacita (NNIL) | 10.00 |
| 69. | Northern Nigeria Flour Mills (NNIL) | |
| 70. | Maiduguri Flour Mills Ltd., Maiduguri (NNIL) | 1.25 |
| 71. | Rogo Processors Limited Lifia | 10.0 |
| 72. | Jema'a Mechanised Farms Ltd., Kaduna | 24.00 |
| 73. | Benue Bottling Co. Ltd., Makurdi | |
| 74. | Badeggi Rice Processing Co. Ltd., Niger | 20.00 |
| 75. | Nigerian Medical & Pharm Products Ltd., Kano | |

| | | |
|---|---|---|
| 76. | Nigerian Beverages Products Co. Ltd., Yola | 25.00 |
| 77. | Paro Bottling Co. Yola | 20.00 |

**KEY NOTE**

(i) A Quoted Company is an organisation that is based on the trading floor of the Nigerian Stock Exchange (NSE) i.e the shares are offered to the general public for buying and selling on the stock exchange.

(ii) A Non-Quoted Company is an organisation that is not listed on the Nigerian Stock Exchange (NSE). The shares of such a company are not listed on the stock exchange and is restricted to only the shareholders. NNDC's Subsidiary and Associate Companies fall under this category.

(iii) NNDC Associate Company is an organisation in which NNDC controls less than 50% of the equity holding.

## APPENDIX E

## NNDC's INVESTMENT CRITERIA

NNDC has established a number of criteria for projects seeking its assistance. These criteria are consistent with the company's mission and objectives. Any project seeking NNDC's participation is appraised with a view to determine whether it satisfies the requirements defined by the following criteria or not.

These criteria apply to equity and loan investments.

(i) **Profitability**

All projects requiring NNDC's equity and for loan investment must be capable of generating a return on investment of at least 5% above the minimum Rediscount Rate of the Central Bank of Nigeria.

(ii) **Gestation Period**

NNDC invest only in those projects which are capable of generating dividends not more than 3 years after commissioning. Projects which do not meet this requirement are not considered. This is essential in order to ensure early returns.

(iii) **Quality of Management**

Efficient and effective management is the key to the success of organisations. It is an important test of the viability of any new project. NNDC thoroughly appraises the quality of management of a proposed venture before granting either loan equity finance or both. In projects where foreign technical partners are involved, NNDC must be fully satisfied with their level of competence and integrity.

(iv) **Credibility of Project Sponsors**

Individual and institutional sponsors of projects requiring NNDC's participation must be of proven integrity and reputation. As a matter of policy, the company does not involve itself with project sponsors (individuals or institutionals) whose integrity or reputation is in doubt. NNDC strives to maintain the image of a reputable development finance institution which it has succeeded in creating over the years.

(v) **Eligible Industries**

Projects seeking NNDC's participation and assistance could come from any sector of the economy except brewing and tobacco. the company invests only in projects which are attractive. The attributes which make any venture attractive are as follows:-

- Minimal competition;
- Reasonable entry/exit barriers;
- Minimum regulatory influence;
- Ability to source raw materials locally;
- Existence of a reasonable market for the products and/or services;
- Acceptable risk/return profile;
- Minimum Supplier/Buyer influence; and
- Synergy with existing NNDC investments.

(iv) **Dominant Shareholder Position**

The company does not participate in the equity of an enterprise where a single

investor (and his family) holds more than 40% of the shareholding. the idea is to spread ownership and risk and thereby protect NNDC's investment from the possibility of undue influence by a single investor.

(vii) **NNDC Shareholding**

NNDC would not normally take less than 10% or more than 25% of the equity of an enterprise except in circumstances where NNDC itself is promoting the venture. In addition, unless NNDC is promoting a project, it will only pay up its portion of equity after other share holders (particularly promoters) have paid up.

(viii) **Geographical Spread**

The company's principal areas of operation are its Shareholder States. However NNDC does operate outside its Shareholders states.

(ix) **Product**

In line with the Federal Government emphasis on local sourcing of raw materials for industries, any product manufacturing enterprise requiring NNDC's participation or assistance must ensure that the local content of the product is substantial. Furthermore, NNDC prefers to be involved in products with a considerable potential for export.

(x) **Project Size**

For projects requiring NNDC's participation, the total project cost must not be less than N10 million.

(xi) **Additional Conditions Applicable to Loan Investments**

NNDC will make loans available to enterprises under the following conditions:-

(a) That the loans are appropriately secured.

(b) That the loans are repaid over a maximum period of seven years.

(c) The NNDC charges a commitment fee of 1% per annum on undisbursed portions of the loans.

(d) That a 2% negotiation and administration fee is chargeable in cases of loans denominated in currencies other than the Naira.

(e) That the borrower pays a legal fee to be determined by the NNDC Legal Department.

(f) That NNDC be given a seat on the Board of Directors of the Company until the loan is fully paid.

## APPENDIX F

## THE CHALLENGES OF GLOBALISATION FOR MANAGEMENT IN THE 21ST CENTURY: A CASE STUDY OF NNDC

## QUESTIONNAIRES

These questionnaires are to be completed by: . . . . . .

*Please note:*

- All information will be treated strictly confidential.
- Tick YES/NO where applicable
- Fill in the gap with sentences where applicable
- Indicate no knowledge or not applicable where necessary
- Attach relevant documents and note where applicable

### A NATURE AND STRUCTURE OF MANAGEMENT

1 What is the composition of the NNDC Board of Directors and who are those on the board presently?

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

. . . . . .

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2 How often has this board membership change?

. . . . . .

. . . . . .

. . . . . .

. . . . . .

3 What are the cause(s) for the change of board and its members?

4 What are the Committees of the board of Directors and what are their functions?

5 How frequent are these Committee functions changes and why?

6. What is the present structure of Management of NNDC and do you think there is need for modification of organisational chart relating to lines of command, delegation of duties and responsibilities?

7 Suggest any modification to the present organisational structure of NNDC

8 Are there any challenges and problems facing the structure of management of NNDC? YES ☐ NO ☐

9 If yes, what are these challenges and problems facing Stakeholders, Board, Management, Committees etc ?

10 Despite these challenges and problems, NNDC has been surviving, what are these success factors?

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11 In the history of the existence of NNDC to what extent has the company use the principles of comparative management to develop over the last 10 years?

12 What are the organisational culture change that NNDC has adopted over the last 10 years?

13 Has the company being meeting up with its social responsibilities over the years, if so in what specific areas of the public interest?

14 Has the company been reviewing its management structure over the years?

(i) Yes ☐ No ☐

(ii) If yes, is it being done by Internal Committee set up by the company or External Consultants? If it is External Consultant, give the name.

(iii) What are the brief summaries of the recommendations by either the Internal Committee or External Consultant?

15 Is the responsibilities over actions in NNDC borne individually or collectively? How?

16 Have the various committee in NNDC take over the function of decision making of individual Managers and why?

17 What is the nature of corporate governance in NNDC? Emphasis should be based on

(i) Stewardship reporting and fiduciary duty

(ii) Leadership – Succession Plan
- Frequency of changes
- Nature and quality of Stakeholders and Chief Executive

(iii) Influence of environmental factors – Economic, Political, legal and technology on NNDC governance.

(iv) Board/Management relationship

(v) Ownership crisis

18. Going by your views above on NNDC governance. what is your assessment for now and your suggestions for the next millenium?

**IBRAHIM YUSUF**
*Research Fellow*

## APPENDIX G

## THE CHALLENGES OF GLOBALISATION FOR MANAGEMENT IN THE 21ST CENTURY: A CASE STUDY OF NNDC

### QUESTIONNAIRES

These questionnaires are to be completed by .....

*Please note:*

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- Tick YES/NO where applicable
- Fill in the gap with sentences where applicable
- Indicate no knowledge or not applicable where necessary
- Attach relevant documents and note where applicable

B. **BUSINESS DEVELOPMENT**

1 What is the mission of NNDC?

.....

.....

.....

.....

2 Is there any difference between the mission and vision of NNDC?

YES ☐ NO ☐

3 If yes, what is the difference and why?

.....

.....

.....

.....

.....

4 How often are the mission and vision changed over the last 10 years and why?

.....

.....

5 What are the salient aspects of the NNDC that the change in the mission and vision affected?

6 What are the general policies of NNDC in relation to the survival of the company for the past 10 years?

7 How often are policies formulation changes and why?

8 Which aspects of NNDC have frequent change of policies occurred over the years and why?

9 When we consider the position of NNDC in the global village today. how do NNDC fare well in its policies formulation and execution?

10 For the past 10 years. NNDC may be having conflict in its policies formulation and execution. How are these conflicts resolved?

11 What are the specific policies adopted by the NNDC in business Development over the last 10 years as related to

(i) Planning and Corporate Development

(ii) New Business Development

(iii) Management Information Systems?

12 Are there frequent changes in the above policies before after adoption. if so which aspects of the NNDC Business development?

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13 What are the specific strategies adopted by the company over the last 10 years in

(i) Planning and Corporate Development

(ii) New Business Development

(iii) Management Information System?

14 Do you foresee frequent changes in the strategies in the future years?

Yes ☐ No ☐

If yes, which aspect of NNDC Business Development and your recommendations

15 Over the years NNDC has been localising its operations, is there any plan for the company to go internationally? Yes ☐ No ☐

If yes, what are strategies for it to go globally?

16 If the company is to go globally, how does it intends to take global competitive and comparative advantages?

17 To what extent has the company accomplish its corporate plans over the last 10 years?

18 What are the components of the following in the company?

(i) Information Technology

(ii) Information Management

19 What are the strategies for information technology and management in NNDC and their alignment for the success of the company?

20 What are the changes over the years that were introduced and implemented for management information system in the company and what are these effects of changes over the last 10 years?

21 What are the plans of the company in respect of introducing new products into the global market and how will these new products survive the challenge of globalisation?

22 What are your suggestions to be made on policies and strategies for business promotion of the company to meet the challenges of the next millenium?

23 What are the inherent management problems that can hinder the progress of business promotion of the company in the next decade?

24 Do you foresee the management of company establishing international business department to meet the challenges of the next millenium? If yes, what will be the structure, functions and respcnsibilities of this department?

## APPENDIX H

## THE CHALLENGES OF GLOBALISATION FOR MANAGEMENT IN THE 21ST CENTURY: A CASE STUDY OF NNDC

### QUESTIONNAIRES

These questionnaires are to be completed by

***Please note:***

- All information will be treated strictly confidential
- Tick YES NO where applicable
- Fill in the gap with sentences where applicable
- indicate no knowledge or not applicable where necessary
- Attach relevant documents and note where applicable

C **INVESTMENT SUPERVISION**

1 What is the vision of this department in NNDC?

2 To what extent has this vision being accomplished?

3 The pivot of globalisation is investment. what are the investment areas in the NNDC that require international recognition?

4 To what extent as the effect of globalisation affected the investments done by NNDC?

5 What is the company's portofolio of investments?

6 What are the investment policies of NNDC?

7 How often are these policies changed over the years and why?

8 What are the investment strategies for the company in the last 10 years?

9 Are there frequent changes in the investment strategies of the company? If yes, which strategies and why?

10 What are your recommendations for future improvement in the investment policies, strategies and portfolio management in the company?

11 How do the company take into consideration competitive advantage, comparative advantage and management in its investment supervision? What efforts has company made to use any of the above parameters to diversify its investment such as going into solid mineral exploration etc ?

12 How do the company manages or intend to manage Risk of investment in the present global economy?

13 What are the policies and strategies adopted for investment promotion by company?

14 How effective are these investment promotions in relation to products of this company?

15 Any suggestion for the improvement in investment promotion of the company to serve the challenges of the next millenium?

16 What are the inherent problems that you think can hinder your suggestions above?

17 What are the ways the company uses in managing its investment in subsidiary companies?

18 What are suggestions for the improvement in management style listed above to meet the challenges of the next millenium?

## APPENDIX I

## THE CHALLENGES OF GLOBALISATION FOR MANAGEMENT IN THE 21ST CENTURY: A CASE STUDY OF NNDC

## QUESTIONNAIRES

These questionnaires are to be completed by

***Please note:***

- All information will be treated strictly confidential
- Tick YES NO where applicable
- Fill in the gap with sentences where applicable
- Indicate no knowledge or not applicable where necessary
- Attach relevant documents and note where applicable

### D. MANAGEMENT SERVICES

***Human Resources Management***

1. What are the human resources policies of NNDC?

2. What are the strategic positions or posts of the company? And why are they strategic?

3 As per the organogram of the company what is the estimated staff requirement of the company per department?

4 What is the present staff trend of the company to be categorised as follows

| | CEO | IS | BD | MS | CR | OTHERS |
|---|---|---|---|---|---|---|
| GDM/Chief Executive | | | | | | |
| Executive Directors | | | | | | |
| Subsidiary M/D | | | | | | |
| General Managers | | | | | | |
| Deputy General Managers | | | | | | |
| Assistant General Managers | | | | | | |
| Principal Managers | | | | | | |
| Senior Managers | | | | | | |
| Managers | | | | | | |
| Senior Officers | | | | | | |
| Junior Officers | | | | | | |
| Others | | | | | | |

Note CEO – Chief Executive Officer. MS – Management Services
IS - Investment Supervision CR - Corporate Relations
BD - Business Development

5 How many of the above named posts are occupied by persons in ACTING CAPACITY?

6 Any succession plan in the company that will indicate persons that will occupy the next post? If yes, can we see this plan?

7 When and how are those in acting capacity confirmed to their post?

8 What is the level of staff turnover in the company?

| | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|---|---|---|---|---|---|---|
| New Appointment | | | | | | |
| Resignation | | | | | | |
| Termination | | | | | | |
| Retirement | | | | | | |
| Redundancy | | | | | | |
| Others | | | | | | |

9. What are the effects of the above staff turnover to survival of the company?

10 If this level of staff turnover continues in the next millenium, can the company survival challenges expected?

11 What are the functions and responsibilities of the personnel and administration section of the company?

12 Can the above functions and responsibilities be improved, expanded or reduced taking into consideration the complexity of the company?

13 If there is any conflict in the company's management, how are these conflicts resolved?

14 What are the financial management policies and strategies of the company?

15 What are the functions and responsibilities of the Finance and Accounts Section of the company?

16 Can the above functions and responsibilities be improved, expanded or reduced taking into consideration the complexity of the company?

17 Do you foresee downturn in the finances of the company in the near future? Why?

18 What do you suggest will be solutions of any drawback in the finances of the company?

19 What are the internal control systems put in place by the company to forestall any irregularities?

20 What are the asset bases of the company in the past 10 years?

21 Do you foresee any increase in the asset base in next decade? If yes, to what extent?

22 What is the capital base of this company in the last 10 years?

23 Management development is very vital for the company, what are management development policies of the company?

24 What are training programmes adopted by the company in the last 10 years to encourage management development?

25 Can these training programmes meet the challenges of the next millenium? How?

26 This company is regarded as the training ground for many Chief Executives of the Nigerian Enterprises. by your assessment. have they meet the challenges of the global environment? Are they good ambassadors of the company?

27 Motivation of employees is the basic ingredient for the staff development of any organisation. to what extent has the company meets its staff incentives?

28 How do you compare the staff incentives of this company to any organisation of its kind in the world?

29 What are general staff incentives of this company?

30 Can these staff incentives survive the next millenium? How?

31 What improvement do you anticipates in the staff incentives of the company to meet the challenges of the next millenium?

32 What is the present status of labour management relationship of the company?

33 Do you have any labour union in the company to fight for the rights and privileges of the average worker of the company? Name them

34 If there is any labour union in the company, has it leave to expectation of the staff generally?

35 What are the staff security schemes in the company?

36 Can these security schemes take care of redundancy and retirement of staff?

IBRAHIM YUSUF
*Research Fellow*

## APPENDIX J

## THE CHALLENGES OF GLOBALISATION FOR MANAGEMENT IN THE 21ST CENTURY: A CASE STUDY OF NNDC

### QUESTIONNAIRES

These questionnaires are to be completed by

***Please note:***

- All information will be treated strictly confidential
- Tick YES NO where applicable
- Fill in the gap with sentences where applicable
- Indicate no knowledge or not applicable where necessary
- Attach relevant documents and note where applicable

E **CORPORATE RELATIONS**

1 What is the corporate relation policies and strategies of the company?

2 What are the functions and responsibilities of the Group Co-ordinating Units and Public Affairs Units of the company

3 What are the achievements of this department in the last 10 years?

4 How can this department boost the image of the company globally?

5 What are the challenges *facing this department* in achieving the corporate mission, vision, objectives and goals of the company

3 What are the achievements of this department in the last 10 years?

4 How can this department boost the image of the company globally?

5 What are the challenges *facing this department* in achieving the corporate mission, vision, objectives and goals of the company

6 What are the challenges ***facing the company*** presently in achieving its set mission, vision, objectives and goals?

7 If these challenges, continues can the company survive the next millenium? How?

# PREFACE

As the world shrinks into a global village, it is imperative that Management and Managers around the world and their entities be proactive and take advantage of the changes taking place known as "***globalisation***". The challenges all over the world today calls for Panacea for the survival of governments and firms.

This dissertation is an overview on the subject of challenges of globalisation and aims at providing readers with an overall understanding of the subject starting with the brief background of globalisation, the pattern and types of challenges that faces Management and Managers. It highlights why companies and countries need to be looking at globalisation as an imperative within the parameters of competitiveness and comparativeness of operation. This dissertation examines the underlying theories of Management and their adaptability, approaches of globalisation, aspects of an all-important area of global Management and cultural adaptation. New innovations of Management Practices are considered as well as solutions to the problems the Management and Managers will face in the on-going process of globalisation as challenges for them. It also highlights the way forward for management of the 21st century in meeting with the trend of globalisation.

The case study of New Nigerian Development Limited (NNDC) is used for the purpose of comparing a large business conglomerate survival with comparative study of globalisation, as an attempt to determine the extent to which management of firms and government have been existing as a going concern, and to what extent can they survive the 21st century going by the pace of globalisation.

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Nigeria

September 1999